Risk Factors Comparison 2024-03-07 to 2023-03-09 Form: 10-K

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Summary of Risk Factors Our risk factors can be broadly summarized by the following categories: • Economic Risks • Credit and Interest Rate Risks • Strategic Risks • Risks Relating to the Regulation of Our Industry • Risks Relating to the Company' s Common Stock • General Risks While not an exhaustive list, the principal risks that we believe could adversely affect our business, financial condition or results of operations include: • a change in economic conditions or a return to recessionary conditions could result in increases in our level of nonperforming loans and / or reduced demand for our products and services; • the value of real estate collateral may fluctuate significantly resulting in an under- collateralized loan portfolio; • external economic factors, such as changes in monetary policy and inflation and deflation, may have an adverse effect on our business, financial condition and results of operations; • inability to effectively manage or adequately measure credit risk; • we could suffer losses from a decline in the credit quality of the assets that we hold; • a significant portion of our loan portfolio is secured by real estate, and events that negatively impact the real estate market could negatively impact our business; • a large portion of our loan portfolio is comprised of commercial loans that are secured by accounts receivable, inventory, equipment or other asset- based collateral, and deterioration in the value of such collateral could increase our exposure to future probable losses; • our largest lending relationships currently make up a material percentage of our total loan portfolio; • our profitability is vulnerable to interest rate fluctuations; • market interest rates for loans, investments and deposits are highly sensitive to many factors beyond our control; • our financial instruments expose us to certain market risks and may increase the volatility of earnings and AOCI; • ~~we may be adversely impacted by the transition from LIBOR as a reference rate; •~~ the outbreak of **an** ~~COVID- 19, or other~~ epidemic, pandemic or highly contagious disease occurring in the United States or in the geographies in which we conduct operations; • our financial performance will be negatively impacted if we are unable to execute our growth strategy; • our strategy of pursuing acquisitions exposes us to financial, execution, compliance and operational risks; • acquisitions may disrupt our business, dilute stockholder value and be costly to integrate; • we rely heavily on our management team and could be adversely affected by the unexpected loss of key officers; • our business is concentrated in, and largely dependent upon, the continued growth and welfare of the general geographic markets in which we operate; • our ability to grow our loan portfolio may be limited; • our future profitability levels are dependent on our ability to grow and maintain deposits at competitive costs; • our ability to retain bankers and recruit additional successful bankers is critical to the success of our business strategy; • a lack of liquidity could adversely affect our financial condition and results of operations; • our financial projections are based upon numerous assumptions about future events and our actual financial performance may differ materially from our projections if our assumptions are inaccurate; • we continually encounter technological change and may have fewer resources than our competitors; • our information systems may experience a failure or interruption; • we use information technology in our operations and offer online banking services to our customers, and unauthorized access to our or our customers' confidential or proprietary information as a result of a cyber- attack or otherwise; • we are dependent upon outside third parties for the processing and handling of our records and data; • if our enterprise risk management framework is not effective at mitigating risk and loss to us; • changes in accounting standards could materially impact our financial statements; • if the goodwill that we have recorded or may record in connection with a business acquisition becomes impaired, it could require charges to earnings, which would adversely affect our business, financial condition and results of operations; • we may be required to repurchase mortgage loans or indemnify buyers against losses in some circumstances, which could harm liquidity, results of operations and financial condition; • increasing scrutiny and evolving expectations from customers, regulators, investors and other stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks; • we are subject to extensive regulations in the conduct of our business, which imposes additional costs on us; • changes in laws, government regulation and monetary policy may have a material effect on our results of operations; • our banking subsidiary may be required to pay higher FDIC insurance premiums or special assessments; • we are subject to certain capital requirements by regulators; • we are subject to stringent capital requirements, which may adversely impact our return on equity or constrain us from paying dividends or repurchasing shares; • we may need to raise additional capital in the future and the capital may not be available when it is needed or may be dilutive to stockholders; • we are subject to the Bank Secrecy Act and other anti- money laundering statutes and regulations, and any deemed deficiency by us with respect to these laws could result in significant liability; • the laws that regulate our operations are designed for the protection of depositors and the public, not our stockholders; • as a bank holding company, the sources of funds available to us are limited; **• recent negative developments affecting the banking industry, and resulting media coverage, may have eroded customer confidence in the banking system; • any regulatory examination scrutiny or new regulatory requirements arising from the recent events in the banking industry could increase the Company' s expenses and affect the Company' s operation; • climate change related legislative and regulatory initiatives, have the potential to disrupt our business and adversely impact the operations and creditworthiness of our customers** • the market price of our Class A common stock may be subject to substantial fluctuations which may make it difficult for you to sell your shares at the volumes, prices and times desired; • the obligations associated with being a public company requires significant resources and management attention; • there is no guarantee that we will declare or pay cash dividends on our common stock; • securities analysts may not initiate or continue coverage on our Class A common stock, which could adversely affect the market for our Class A common stock; • use of our common stock for future acquisitions or to raise capital may be dilutive to existing stockholders; • a future issuance of stock could dilute the value of our Class A common stock; • we have significant institutional investors whose interests may differ from yours; • our directors and executive officers beneficially own a significant portion of our Class A common stock and have substantial influence over us; • shares of our Class A common stock are not insured deposits and may lose value; • we have the ability to incur debt and pledge our assets, including our stock in Equity Bank, to secure that debt, and holders of any such debt obligations will generally have priority over holders of our Class A common stock with respect to certain payment obligations; • if we fail to maintain an effective system of disclosure controls and procedures and internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud; • our board of directors may issue shares of preferred stock that would adversely affect the rights of our Class A common stockholders; • the return on your investment in our Class A common stock is uncertain; • we operate in a highly competitive industry and face significant competition from other banking organizations; • as a community bank, our ability to maintain our reputation is critical to the success of our business, and the failure to do so may materially adversely affect our performance; • we are subject to environmental risk in our lending activities; • we are subject to claims and litigation pertaining to intellectual property; • we have pledged all of the stock of Equity Bank as collateral for a loan, and if the lender forecloses, you could lose your investment; and • we have outstanding subordinated debt obligations, and if the Company defaults on those obligations, the debt holders could lose their investment. The foregoing factors should not be construed as exhaustive. This summary of risk factors should be read in conjunction with the more detailed risk factors below. Recessionary conditions could result in increases in our level of nonperforming loans and / or reduced demand for our products and services, which could have an adverse effect on our results of operations. Economic recession or other economic problems, including those affecting our markets and regions, but also those affecting the U. S. or world economies, could have a material adverse impact on the demand for our products and services. If economic conditions deteriorate, or if there are negative developments affecting the domestic and international credit markets, the value of our loans and investments may be harmed, which in turn would have an adverse effect on our financial performance and our financial condition may be adversely affected. In addition, although deteriorating market conditions could adversely affect our financial condition, results of operations and cash flows, we may not benefit from any market growth or favorable economic conditions, either in our primary market areas or nationally, even if they do occur. Changes in economic conditions could cause an increase in delinquencies and nonperforming assets, including loan charge- offs, which could depress our net income and growth. Our loan portfolio includes many real estate secured loans, demand for which may decrease during economic downturns as a result of, among other things, an increase in unemployment, a decrease in real estate values and a slowdown in housing. If we see negative economic conditions develop in the United States as a whole or in our Arkansas, Kansas, Missouri and Oklahoma markets, we could experience higher delinquencies and loan charge- offs, which would reduce our net income and adversely affect our financial condition. Furthermore, to the extent that real estate collateral is obtained through foreclosure, the costs of holding and marketing the real estate collateral, as well as the ultimate values obtained from disposition, could reduce our earnings and adversely affect our financial condition. The value of real estate collateral may fluctuate significantly resulting in an under- collateralized loan portfolio. The market value of real estate, particularly real estate held for investment, can fluctuate significantly in a short period of time as a result of market conditions in the geographic area in which the real estate is located. If the value of the real estate serving as collateral for our loan portfolio were to decline materially, a significant part of our loan portfolio could become under- collateralized. If the loans that are collateralized by real estate become troubled during a time when market conditions are declining or have declined, then, in the event of foreclosure, we may not be able to realize the amount of collateral that we anticipated at the time of originating the loan. This could have a material adverse effect on our provision for credit losses and our operating results and financial condition. External economic factors, such as changes in monetary policy and inflation and deflation, may have an adverse effect on our business, financial condition and results of operations. Our financial condition and results of operations are affected by credit policies of monetary authorities, particularly the Federal Reserve. Actions by monetary and fiscal authorities, including the Federal Reserve, could lead to inflation, deflation or other economic phenomena that could adversely affect our financial performance. The primary impact of inflation on our operations most likely will be reflected in increased operating costs. Conversely, deflation generally will tend to erode collateral values and diminish loan quality. Virtually all of our assets and liabilities are monetary in nature. As a result, interest rates have a more significant impact on our performance than general levels of inflation or deflation. Interest rates do not necessarily move in the same direction or by the same magnitude as the prices of goods and services. Volatility in commodity prices may adversely affect our financial condition and results of operations. In addition to the geographic concentration of our markets, certain industry- specific economic factors also affect us. For example, while we do not have a concentration in energy lending, the industry is cyclical and recently has experienced a significant volatility in crude oil and natural gas prices. In addition, we make loans to customers involved in the agricultural industry, many of whom are also impacted by fluctuations in commodity prices. Volatility in commodity prices could adversely impact the ability of borrowers in these industries to perform under the terms of their borrowing arrangements with us and, as a result, a severe and prolonged decline in commodity prices may adversely affect our financial condition and results of operations. It is also difficult to project future commodity prices as they are dependent upon many different factors beyond our control. Inability to effectively manage credit risk. As a lender, we are exposed to the risk that our loan customers may not repay their loans according to the terms of these loans and the collateral securing the payment of these loans may be insufficient to fully compensate us for the outstanding balance of the loan plus the costs to dispose of the collateral. We may experience significant credit losses, which could have a material adverse effect on our operating results and financial condition. Management makes various assumptions and judgments about the collectability of our loan portfolio, including the diversification by industry of our commercial loan portfolio, the amount of nonperforming loans and related collateral, the volume, growth and composition of our loan portfolio, the effects on the loan portfolio of current economic indicators and their probable impact on borrowers and the evaluation of our loan portfolio through our internal loan review process and other relevant factors. We maintain an allowance for credit losses, which is an allowance established through a provision for credit losses charged to expense that represents management' s best estimate of probable incurred losses in our loan portfolio. Additional credit losses will likely occur in the future and may occur at a rate greater than we have experienced to date. In determining the amount of the allowance, we rely on an analysis of our loan portfolio, our experience and our evaluation of general economic conditions. If our assumptions, prove to be incorrect, our current allowance may not be sufficient and adjustments may be necessary to allow for different economic conditions or adverse developments in our loan portfolio. In addition, as an acquirer of other banks, our allowance for credit losses may not be sufficient when coupled with purchase discounts on acquired portfolios. Material additions to the allowance could materially decrease our net income. In addition, banking regulators periodically review our allowance for credit losses and may require us to increase our provision for credit losses or recognize further charge- offs, based on judgments different than those of our management. Any increase in our allowance for credit losses or charge- offs as required by these regulatory agencies could have a material negative effect on our operating results, financial condition and liquidity. We could suffer losses from a decline in the credit quality of the assets that we hold. We could sustain losses if borrowers, guarantors, and related parties fail to perform in accordance with the terms of their loans. We have adopted underwriting and credit monitoring procedures and policies that we believe are appropriate to minimize this risk, including the establishment and review of the allowance for credit losses, periodic assessment of the likelihood of nonperformance, tracking loan performance and diversifying our credit portfolio. These policies and procedures, however, may not prevent unexpected losses that could have a material adverse effect on our financial condition and results of operations. In particular, we face credit quality risks presented by past, current and potential economic and real estate market conditions. A significant portion of our loan portfolio is secured by real estate, and events that negatively impact the real estate market could negatively impact our business. There are significant risks associated with real estate- based lending. Real estate collateral may deteriorate in value during the time that credit is extended, in which case we might not be able to sell such collateral for an amount necessary to satisfy a defaulting borrower' s obligation to us. In that event, there could be a material adverse effect on our financial condition and results of operations. Additionally, commercial real estate loans are subject to unique risks. These types of loans are often viewed as having more risks than residential real estate or other consumer loans, primarily because relatively large amounts are loans to a relatively small number of borrowers. Thus, the deterioration of even a small number of these loans could cause a significant increase in the allowance for credit losses or loan charge- offs, which in turn could have a material adverse effect on our financial condition and results of operations. Furthermore, commercial real estate loans depend on cash flows from the property securing the debt. Cash flows may be affected significantly by general economic conditions and a downturn in a local economy in one of our markets or in occupancy rates where a property is located could increase the likelihood of default. The foregoing risks are enhanced as a result of the limited geographic scope of our principal markets. Most of the real estate securing our loans is located in our Arkansas, Kansas, Missouri and Oklahoma markets. Because the value of this collateral depends upon local real estate market conditions and is affected by, among other things, neighborhood characteristics, real estate tax rates, the cost of operating the properties and local governmental regulation, adverse changes in any of these factors in our markets could cause a decline in the value of the collateral securing a significant portion of our loan portfolio. Further, the concentration of real estate collateral in these four markets limits our ability to diversify the risk of such occurrences. A large portion of our loan portfolio is comprised of commercial loans that are secured by accounts receivable, inventory, equipment or other asset- based collateral, and deterioration in the value of such collateral could increase our exposure to future probable losses. These commercial loans are typically larger in amount than loans to individuals and therefore, have the potential for larger losses on a single loan basis. Additionally, asset- based borrowers are often highly leveraged and have inconsistent historical earnings and cash flows. Historically, losses in our commercial credits have been higher than losses in other classes of our loan portfolio. Significant adverse changes in our borrowers' industries and businesses could cause rapid declines in values of, and collectability associated with, those business assets, which could result in inadequate collateral coverage for our commercial loans and expose us to future losses. An increase in specific reserves and charge- offs related to our commercial loan portfolio could have a material adverse effect on our business, financial condition, results of operations and future prospects. Our use of appraisals in deciding whether to make a loan secured by real property does not ensure the value of the real property collateral. In considering whether to make a loan secured by real property, we generally require an appraisal. However, an appraisal is only an estimate of the value of the property at the time the appraisal is made. If the appraisal does not reflect the amount that may be obtained upon any sale or foreclosure of the property, we may not realize an amount equal to the indebtedness secured by the property. A portion of our loan portfolio is comprised of participation and syndicated transaction interests, which could have an adverse effect on our ability to monitor the lending relationships and lead to an increased risk of loss. We participate in loans originated by other institutions and in syndicated transactions (including shared national credits) in which other lenders serve as the agent bank. Our reduced control over the monitoring and management of these relationships, particularly participations in large bank groups, could lead to increased risk of loss, which could have a material adverse effect on our business, financial condition, results of operations and future prospects. Our largest loan relationships currently make up a material percentage of our total loan portfolio. As of December 31, ~~2022~~ **2023** , our ten largest loan relationships totaled over $ ~~367~~ **344** . ~~2~~ **7** million in loan exposure, or ~~11~~ **10** . ~~1~~ **4** % of the total loan portfolio. The concentration risk associated with having a small number of large loan relationships is that, if one or more of these relationships were to become delinquent or suffer default, we could be at serious risk of material losses. The allowance for credit losses may not be adequate to cover losses associated with any of these relationships and any loss or increase in the allowance would negatively affect our earnings and capital. Even if the loans are collateralized, the large increase in classified assets could harm our reputation with our regulators, investors and potential investors and inhibit our ability to execute our business plan. We may not be able to adequately measure and limit the credit risk associated with our loan portfolio, which could adversely affect our profitability. As a part of the products and services that we offer, we make commercial and commercial real estate loans. The principal economic risk associated with each class of loans is the creditworthiness of the borrower, which is affected by the strength of the relevant business market segment, local market conditions and general economic conditions. Additional factors related to the credit quality of commercial loans include the quality of the management of the business and the borrower' s ability both to properly evaluate changes in the supply and demand characteristics affecting our market for products and services and to effectively respond to those changes. Additional factors related to the credit quality of commercial real estate loans include tenant vacancy rates and the quality of management of the property. A failure to effectively measure and limit the credit risk associated with our loan portfolio could have an adverse effect on our business, financial condition and results of operations. We could be adversely affected by the soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty or other relationships. We have exposure to many different industries and counterparties, and routinely execute transactions with counterparties in the financial services industry, including commercial banks, brokers and dealers, investment banks and other institutional clients. Many of these transactions expose us to credit risk in the event of a default by a counterparty or client. In addition, our credit risk may be exacerbated when our collateral cannot be foreclosed upon or is liquidated at prices not sufficient to recover the full amount of the credit or derivative exposure due. Any such losses could adversely affect our business, financial condition and results of operations. Our profitability is vulnerable to interest rate fluctuations. Our profitability depends substantially upon our net interest income. Net interest income is the difference between the interest earned on assets (such as loans and securities held in our investment portfolio) and the interest paid for liabilities (such as interest paid on savings and money market accounts and time deposits). Income associated with interest- earning assets and costs associated with interest- bearing liabilities may not be affected uniformly by fluctuations in interest rates. The magnitude and duration of changes in interest rates are events over which we have no control and such changes may have an adverse effect on our net interest income. Prepayment and early withdrawal levels, which are also impacted by changes in interest rates, can significantly affect our assets and liabilities. For example, an increase in interest rates could, among other things, reduce the demand for loans and decrease loan repayment rates. Such an increase could also adversely affect the ability of our floating- rate borrowers to meet their higher payment obligations, which could in turn lead to an increase in nonperforming assets and net charge- offs. Conversely, a decrease in the general level of interest rates could affect us by, among other things, leading to greater competition for deposits and incentivizing borrowers to prepay or refinance their loans more quickly or frequently than they otherwise would. The primary tool that management uses to measure interest rate risk is a simulation model that evaluates the impact of varying levels of prevailing interest rates and the impact on net interest income and the economic value of equity. Generally, the interest rates on our interest- earning assets and interest- bearing liabilities do not change at the same rate, to the same extent or on the same basis. Even assets and liabilities with similar maturities or re- pricing periods may react in different degrees to changes in market interest rates. Interest rates on certain types of assets and liabilities may fluctuate in advance of changes in general market interest rates, while interest rates on other types of assets and liabilities may lag behind changes in general market rates. Certain assets, such as fixed and adjustable rate mortgage loans, have features that limit changes in interest rates on a short- term basis and over the life of the asset. Changes in interest rates could materially and adversely affect our financial condition and results of operations. See " Item 7A – Quantitative and Qualitative Disclosure About Market Risk " for a discussion of interest rate risk modeling and the inherent risks in modeling assumptions. Market interest rates for loans, investments and deposits are highly sensitive to many factors beyond our control. Generally, interest rate spreads (the difference between interest rates earned on assets and interest rates paid on liabilities) have narrowed in recent years as a result of changing market conditions, policies of various government and regulatory authorities and competitive pricing pressures and we cannot predict whether these rate spreads will narrow even further. This narrowing of interest rate spreads could adversely affect our financial condition and results of operations. In addition, we cannot predict whether interest rates will continue to remain at present levels. Changes in interest rates may cause significant changes, up or down, in our net interest income. We attempt to minimize the adverse effects of changes in interest rates by structuring our asset- liability composition in order to obtain the maximum spread between interest income and interest expense. However, there can be no assurance that we will be successful in minimizing the adverse effects of changes in interest rates. Depending on our portfolio of loans and investments, our financial condition and results of operations may be adversely affected by changes in interest rates. Our financial instruments expose us to certain market risks and may increase the volatility of earnings and AOCI **.** We hold certain financial instruments measured at fair value. For those financial instruments measured at fair value, we are required to recognize the changes in the fair value of such instruments in earnings or accumulated other comprehensive income (" AOCI ") each quarter. Therefore, any increases or decreases in the fair value of these financial instruments have a corresponding impact on reported earnings or AOCI. Fair value can be affected by a variety of factors, many of which are beyond our control, including our credit position, interest rate volatility, capital markets volatility, and other economic factors. Accordingly, we are subject to mark- to- market risk and the application of fair value accounting may cause our earnings and AOCI to be more volatile than would be suggested by our underlying performance ~~. We may be adversely impacted by the transition from LIBOR as a reference rate. In 2017, the United Kingdom' s Financial Conduct Authority announced that after 2021 it would no longer compel banks to submit the rates required to calculate LIBOR. The publishers of LIBOR have stated that the rates used by the Company will cease to be published as of June 30, 2023. We occasionally have loans, derivative contracts, borrowings and other financial instruments with attributes that are either directly or indirectly dependent on LIBOR. The language in our contracts and financial instruments that define and use LIBOR have developed over time and have various events that trigger when a successor rate to the designated rate would be selected. If a trigger is satisfied, contracts and financial instruments often give the calculation agent (which may be us) discretion over the successor rate or benchmark to be selected. Per the Adjustable Interest Rate (LIBOR) Act (" LIBOR Act"), the Federal Reserve was given the discretion to address the implementation, administration and calculation of the selected benchmark replacement in LIBOR contracts and included certain safe harbor provision to prevent litigation and ensure the continuity of contracts post- transition. The Federal Reserve issued the final rule implementing the LIBOR Act on December 16, 2022, which provided the safe harbor SOFR- based benchmark replacement indexes. The transition from LIBOR could create additional costs and additional risk. Since proposed alternative~~

~~rates are calculated differently, payments under contracts referencing new rates will differ from those referencing LIBOR. The transition will change our market risk profiles, requiring changes to risk and pricing models, valuation tools, product design and hedging strategies. Furthermore, failure to adequately manage this transition process with our customers could adversely impact our reputation~~ . Global health pandemics or outbreaks of highly contagious diseases occurring in the United States or in the geographies in which we conduct operations, could adversely affect the Company' s business operations, asset valuations, financial condition and results of operations. The Company' s business is dependent upon the willingness and ability of our customers to conduct banking and other financial transactions. Outbreaks of highly contagious or infectious diseases could negatively impact the ability of our employees and customers to conduct such transactions and disrupt the business activities and operations of our customers in the geographic areas in which we operate. The COVID- 19 pandemic caused changes in the behavior of customers, businesses, and their employees, including illness, quarantines, social distancing practices, cancellation of events and travel, business and school shutdowns, reduction in commercial activity and financial transactions, supply chain interruptions, increased unemployment, and overall economic and financial market instability. Similar impacts could be experienced in the future if such an outbreak or pandemic were to occur again. Notwithstanding our contingency plans and other safeguards against pandemics or another contagious disease, the spread of contagion could negatively impact the availability of Equity Bank staff who are necessary to conduct our business operations, as well as potentially impact the business and operations third party service providers who perform critical services for us. If the response to contain a similar highly infectious or contagious disease, is unsuccessful, the Company could experience a material adverse effect on our business operations, asset valuations, financial condition, and results of operations. Material adverse impacts may include all or a combination of valuation impairments on the Company' s intangible assets, investments, loans, loan servicing rights, deferred tax assets, or counter- party risk derivatives. Our financial performance will be negatively impacted if we are unable to execute our growth strategy. Our current growth strategy is to grow organically and supplement that growth with select acquisitions. Our ability to grow organically depends primarily on generating loans and deposits of acceptable risk and expense and we may not be successful in continuing this organic growth. Our ability to identify appropriate markets for expansion, recruit and retain qualified personnel and fund growth at a reasonable cost depends upon prevailing economic conditions, maintenance of sufficient capital, competitive factors, and changes in banking laws, among other factors. Conversely, if we grow too quickly and are unable to control costs and maintain asset quality, such growth, whether organic or through select acquisitions, could materially and adversely affect our financial condition and results of operations. We may not be able to identify and acquire other financial institutions, which could hinder our ability to continue to grow. A substantial part of our historical growth has been a result of acquisitions of other financial institutions. We intend to continue our strategy of evaluating and selectively acquiring other financial institutions that serve customers or markets we find desirable. However, the market for acquisitions remains highly competitive and we may be unable to find satisfactory acquisition candidates in the future that fit our acquisition strategy. To the extent that we are unable to find suitable acquisition candidates, an important component of our strategy may be lost. If we are able to identify attractive acquisition opportunities, we must generally satisfy a number of conditions prior to completing any such transaction, including certain bank regulatory approval, which has become substantially more difficult, time- consuming and unpredictable as a result of the recent financial crisis. Additionally, any future acquisitions may not produce the revenue, earnings or synergies that we anticipated. Our strategy of pursuing acquisitions exposes us to financial, execution, compliance and operational risks that could have a material adverse effect on our business, financial condition, results of operations and growth prospects. We intend to continue pursuing a strategy that includes acquisitions. An acquisition strategy involves significant risks, including the following: • finding suitable candidates for acquisition; • attracting funding to support additional growth within acceptable risk tolerances; • maintaining asset quality; • retaining customers and key personnel, including bankers; • obtaining necessary regulatory approvals, which we may have difficulty obtaining or be unable to obtain; • conducting adequate due diligence and managing known and unknown risks and uncertainties; • integrating acquired businesses; and • maintaining adequate regulatory capital. The market for acquisition targets is highly competitive, which may adversely affect our ability to find acquisition candidates that fit our strategy and standards. We face significant competition in pursuing acquisition targets from other banks and financial institutions, many of which possess greater financial, human, technical and other resources than we do. Our ability to compete in acquiring target institutions will depend on our available financial resources to fund the acquisitions, including the amount of cash and cash equivalents we have and the liquidity and market price of our Class A common stock. In addition, increased competition may also drive up the acquisition consideration that we will be required to pay in order to successfully capitalize on attractive acquisition opportunities. To the extent that we are unable to find suitable acquisition targets, an important component of our growth strategy may not be realized. Acquisitions of financial institutions and branches also involve operational risks and uncertainties, such as unknown or contingent liabilities with no available manner of recourse, exposure to unexpected problems such as asset quality, the retention of key employees and customers and other issues that could negatively affect our business. We may not be able to complete future acquisitions or, if completed, we may not be able to successfully integrate the operations, technology platforms, management, products and services of the entities that we acquire or to realize our attempts to eliminate redundancies. The integration process may also require significant time and attention from our management that would otherwise be directed toward servicing existing business and developing new business. Failure to successfully integrate the entities we acquire into our existing operations in a timely manner may increase our operating costs significantly and adversely affect our business, financial condition and results of operations. Further, acquisitions typically involve the payment of a premium over book and market values and therefore, some dilution of our tangible book value and net income per common share may occur in connection with any future acquisition and the carrying amount of any goodwill that we currently maintain or may acquire may be subject to impairment in future periods. If we continue to grow, we will face risks arising from our increased size. If we do not manage such growth effectively, we may be unable to realize the benefit from the investments in technology, infrastructure and personnel that we have made to support our expansion. In addition, we may incur higher costs and realize less revenue growth than we expect, which would reduce our earnings and diminish our future prospects and we may not be able to continue to implement our business strategy and successfully conduct our operations. Risks associated with failing to maintain effective financial and operational controls as we grow, such as maintaining appropriate loan underwriting procedures, information technology systems, determining adequate allowances for credit losses and complying with regulatory accounting requirements, including increased credit losses, reduced earnings and potential regulatory penalties and restrictions on growth, all could have a negative effect on our business, financial condition and results of operations. Acquisitions may disrupt our business and dilute stockholder value and integrating acquired companies may be more difficult, costly or time- consuming than we expect. Our pursuit of acquisitions may disrupt our business and any equity that we issue as merger consideration may have the effect of diluting the value of common stockholders. In addition, we may fail to realize some or all of the anticipated benefits of completed acquisitions. We anticipate that the integration of businesses that we may acquire in the future will be a time- consuming and expensive process, even if the integration process is effectively planned and implemented. In addition, our acquisition activities could be material to our business and involve a number of significant risks, including the following: • incurring time and expense associated with identifying and evaluating potential acquisitions and negotiating potential transactions, resulting in our attention being diverted from the operation of our existing business; • using inaccurate estimates and judgments to evaluate credit, operations, management and market risks with respect to the target company or the assets and liabilities that we seek to acquire; • exposure to potential asset quality issues of the target company; • intense competition from other banking organizations and other potential acquirers, many of which have substantially greater resources than we do; • potential exposure to unknown or contingent liabilities of banks and businesses we acquire, including, without limitation, liabilities for regulatory and compliance issues; • inability to realize the expected revenue increases, cost savings, increases in geographic or product presence and other projected benefits of the acquisition; • incurring time and expense required to integrate the operations and personnel of the combined businesses; • inconsistencies in standards, procedures and policies that would adversely affect our ability to maintain relationships with customers and employees; • experiencing higher operating expenses relative to operating income from the new operations; • creating an adverse short- term effect on our results of operations; • losing key employees and customers; • significant problems relating to the conversion of the financial and customer data of the entity; • integration of acquired customers into our financial and customer product systems; • potential changes in banking or tax laws or regulations that may affect the target company; or • risks of impairment to goodwill. If difficulties arise with respect to the integration process, the economic benefits expected to result from acquisitions might not occur. As with any merger of financial institutions, there also may be business disruptions that cause us to lose customers or cause customers to move their business to other financial institutions. Failure to successfully integrate businesses that we acquire could have an adverse effect on our profitability, return on equity, return on assets or our ability to implement our strategy, any of which in turn could have a material adverse effect on our business, financial condition and results of operations. Operational Risks We rely heavily on our management team and could be adversely affected by the unexpected loss of key officers. We are led by an experienced management team with substantial experience in the markets that we serve and the financial products that we offer. Our operating strategy focuses on providing products and services through long- term relationship managers. Accordingly, our success depends in large part on the performance of our key personnel, as well as on our ability to attract, motivate and retain highly qualified senior and middle management. Competition for employees is intense and the process of locating key personnel with the combination of skills and attributes required to execute our business plan may be lengthy. We may not be successful in retaining our key employees and the unexpected loss of services of one or more of our key personnel could have a material adverse effect on our business because of their skills, knowledge of our market and financial products, years of industry experience, long- term customer relationships and the difficulty of promptly finding qualified replacement personnel. If the services of any of our key personnel should become unavailable for any reason, we may not be able to identify and hire qualified persons on terms acceptable to us, which could have an adverse effect on our business, financial condition and results of operations. Our business is concentrated in, and largely dependent upon, the continued growth and welfare of the general geographic markets in which we operate. Our banking operations are concentrated in Arkansas, Kansas, Missouri and Oklahoma. As a result, our financial condition and results of operations and cash flows are affected by changes in the economic conditions of our markets. Our success depends to a significant extent upon the business activity, population, income levels, deposits and real estate activity in these markets. Although our customers' business and financial interests may extend well beyond these market areas, adverse conditions that affect these market areas could reduce our growth rate, affect the ability of our customers to repay their loans, affect the value of collateral underlying loans, impact our ability to attract deposits and generally affect our financial conditions and results of operations. Because of our geographic concentration, we may be less able than other regional or national financial institutions to diversify our credit risks across multiple markets. Difficult conditions in the market for financial products and services may materially and adversely affect our business and results of operations. Recessionary periods historically have brought about increased foreclosures and unemployment which have resulted in significant write- downs of asset values by financial institutions, including government- sponsored entities and major commercial and investment banks. These write- downs, initially of mortgage- backed securities but spreading to credit default swaps and other derivative securities, have historically caused many financial institutions to seek additional capital, to merge with larger and stronger institutions and, in some cases, to fail. This market turmoil and tightening of credit have led to an increased level of commercial and consumer delinquencies, lack of consumer confidence, increased market volatility and widespread reduction of business activity generally. Although conditions have improved, a return of these trends could have a material adverse effect on our business and operations. Negative market developments may affect consumer confidence levels and may cause adverse changes in payment patterns, causing increases in delinquencies and default rates, which may impact our charge- offs and provisions for loan and credit losses. Economic deterioration that affects household and / or corporate incomes could also result in reduced demand for credit or fee-based products and services. These conditions would have adverse effects on us and others in the financial services industry. Our ability to grow our loan portfolio may be limited by, among other things, economic conditions, competition within our market areas, the timing of loan repayments and seasonality. Our ability to continue to improve our operating results is dependent upon, among other things, growing our loan portfolio. While we believe that our strategy to grow our loan portfolio is sound and our growth targets are achievable over an extended period of time, competition within our market areas is significant, particularly for high credit quality borrowers. We compete with both large regional and national financial institutions, who are sometimes able to offer more attractive interest rates and other financial terms than we choose to offer, as well as other community- based banks who seek to offer a similar level of service to that which we offer. This competition can make loan growth challenging, particularly if we are unwilling to price loans at levels that would cause unacceptable levels of compression of our net interest margin or if we are unwilling to structure a loan in a manner that we believe results in a level of risk to us that we are not willing to accept. Moreover, loan growth throughout the year can fluctuate due in part to seasonality of the businesses of our borrowers and potential borrowers and the timing on loan repayments, particularly those of our borrowers with significant relationships with us, resulting from, among other things, excess levels of liquidity. To the extent that we are unable to increase loans, we may be unable to successfully implement our growth strategy, which could materially and adversely affect us. Several of our large depositors have relationships with each other, which creates a higher risk that one customer' s withdrawal of its deposit could lead to a loss of other deposits from customers within the relationship, which, in turn, could force us to fund our business through more expensive and less stable sources. As of December 31, ~~2022~~ **2023** , our ten largest non- brokered depositors accounted for $ ~~301~~ **270** . ~~0~~ **6** million in deposits, or approximately ~~7~~ **6** . ~~1~~ **5** % of our total deposits. Further, our non- brokered deposit account balance was $ ~~4~~ **3** . ~~0~~ **8** billion, or approximately 92. ~~9~~ **4** % of our total deposits, as of December 31, ~~2022~~ **2023** . Several of our large depositors have business, family or other relationships with each other, which creates a risk that any one customer' s withdrawal of its deposit could lead to a loss of other deposits from customers within the relationship. Withdrawals of deposits by any one of our largest depositors or by one of our related customer groups could force us to rely more heavily on borrowings and other sources of funding for our business and withdrawal demands, adversely affecting our net interest margin and results of operations. We may also be forced, as a result of any withdrawal of deposits, to rely more heavily on other, potentially more expensive and less stable funding sources. Consequently, the occurrence of any of these events could have a material adverse effect on our business, results of operations, financial condition and future prospects. Our future profitability levels are dependent on our ability to grow and maintain deposits at competitive costs. Our ability to fund our lending and investing activities at a reasonable cost depends on our ability to maintain adequate deposit levels at an economically competitive cost structure. The following risks could impact the cost structures of deposits: • Increased competition over transactional and time deposit accounts could increase the costs of these deposits by increasing the rate of change and velocity of change in deposit rates, as overall market rates change; • Migration of transactional deposit accounts to time deposit accounts could increase the overall costs of deposits; and • Changes in the mix of retail and public funds deposit customers could increase the costs of deposits. Public funds deposits are more rate sensitive than retail deposits and if we are forced to rely more heavily on those types of deposits overall funding cost could increase. Our ability to retain bankers and recruit additional successful bankers is critical to the success of our business strategy and any failure to do so could adversely affect our business, financial condition, results of operations and growth prospects. Our ability to retain and grow our loans, deposits and fee income depends upon the business generation capabilities, reputation and relationship management skills of our bankers. If we were to lose the services of any of our bankers, including successful bankers employed by banks that we may acquire, to a new or existing competitor or otherwise, we may not be able to retain valuable relationships and some of our customers could choose to use the services of a competitor instead of our services. Our growth strategy also relies on our ability to attract and retain additional profitable bankers. We may face difficulties in recruiting and retaining bankers of our desired caliber, including as a result of competition from other financial institutions. In particular, many of our competitors are significantly larger with greater financial resources and may be able to offer more attractive compensation packages and broader career opportunities. Additionally, we may incur significant expenses and expend significant time and resources on training, integration and business development before we are able to determine whether a new banker will be profitable or effective. If we are unable to attract and retain successful bankers, or if our bankers fail to meet our expectations in terms of customer relationships and profitability, we may be unable to execute our business strategy and our business, financial condition, results of operations and growth prospects may be adversely affected. Any expansion into new markets or new lines of business might not be successful. As part of our ongoing strategic plan, we may consider expansion into new geographic markets. Such expansion might take the form of the establishment of de novo branches or the acquisition of existing banks or bank branches. There are considerable costs associated with opening new branches and new branches generally do not generate sufficient revenues to offset costs until they have been in operation for some time. Additionally, we may consider expansion into new lines of business through the acquisition of third parties or organic growth and development. There are substantial risks associated with such efforts, including risks that (i) revenues from such activities might not be sufficient to offset the development, compliance and other implementation costs, (ii) competing products and services and shifting market preferences might affect the profitability of such activities and (iii) our internal controls might be inadequate to manage the risks associated with new activities. Furthermore, it is possible that our unfamiliarity with new markets or lines of business might adversely affect the success of such actions. If any such expansions into new geographic or product markets are not successful, there could be an adverse effect on our financial condition and results of operations. Our small to medium- sized business and entrepreneurial customers may have fewer financial resources than larger entities to weather a downturn in the economy that might impair a borrower' s ability to repay a loan and could adversely affect our financial condition and results of operations. We focus our business development and marketing strategy primarily to serve the banking and financial services needs of small to medium- sized businesses and entrepreneurs. These small to medium- sized businesses and entrepreneurs may have fewer financial resources in terms of capital or borrowing capacity than larger entities. If economic conditions negatively impact our markets generally, and small to medium- sized businesses are adversely affected, our financial condition and results of operations may be negatively affected. A lack of liquidity could adversely affect our financial condition and results of operations. Liquidity is essential to our business. We rely on our ability to generate deposits and effectively manage the repayment and maturity schedules of our loans to ensure that we have adequate liquidity to fund our operations. An inability to raise funds through deposits, borrowings, the sale of loans and other sources could have a substantial negative effect on our liquidity. Our most important source of funds is deposits. Deposit balances can decrease when customers perceive alternative investments as providing a better risk / return tradeoff. If customers move money out of bank deposits and into other investments such as money market funds, we would lose a relatively low- cost source of funds, increasing our funding costs and reducing our net interest income and net income. Other primary sources of funds consist of cash flows from operations, maturities and sales of investment securities and proceeds from the issuance and sale of our equity securities to investors. Additional liquidity is provided by the ability to borrow from the Federal Home Loan Bank of Topeka. We also may borrow funds from third- party lenders, such as other financial institutions. Our access to funding sources in amounts adequate to finance or capitalize our activities, or on terms that are acceptable to us, could be impaired by factors that affect us directly or the financial services industry or economy in general, such as disruptions in the financial markets or negative views and expectations about the prospects for the financial services industry. Our access to funding sources could also be affected by a decrease in the level of our business activity as a result of a downturn in our markets or by one or more adverse regulatory actions against us. Any decline in available funding could adversely impact our ability to originate loans, invest in securities, meet our expenses or to fulfill obligations such as repaying our borrowings or meeting deposit withdrawal demands, any of which could have a material adverse impact on our liquidity, business, financial condition and results of operations. **Our financial flexibility would be severely constrained if we were unable to maintain our access to funding or if adequate financing were not available at acceptable interest rates. Further, if we were required to rely more heavily on more expensive funding sources to support liquidity, our revenues may not increase proportionately to cover our increased costs. In this case, our operating margins and profitability would be adversely affected, If alternative funding sources were no longer available to us, we may need to sell a portion of our investment and / or loan portfolio to raise funds, which, depending upon market conditions, could result in us realizing a loss on the sale of such assets. As of December 31, 2023, we had a net unrealized loss of $ 51. 9 million on our available for- sale investment securities portfolio primarily as a result of the rising interest rate environment.** As a community banking institution, we have lower lending limits and different lending risks than certain of our larger, more diversified competitors. We are a community banking institution that provides banking services to the local communities in the market areas in which we operate. Our ability to diversify our economic risks is limited by our own local markets and economies. We lend primarily to individuals and small to medium- sized businesses, which may expose us to greater lending risks than those of banks that lend to larger, better-capitalized businesses with longer operating histories. In addition, our legally mandated lending limits are lower than those of certain of our competitors that have more capital than we do. These lower lending limits may discourage borrowers with lending needs that exceed our limits from doing business with us. We may try to serve such borrowers by selling loan participations to other financial institutions; however, this strategy may not succeed. Our financial projections are based upon numerous assumptions about future events and our actual financial performance may differ materially from our projections if our assumptions are inaccurate. If the communities in which we operate do not grow, or if the prevailing economic conditions locally or nationally are less favorable than we have assumed, then our ability to reduce our nonperforming loans and other real estate owned portfolios and to implement our business strategies may be adversely affected and our actual financial performance may be materially different from our projections. Moreover, we cannot give any assurance that we will benefit from any market growth or favorable economic conditions in our market areas even if they do occur. If our senior management team is unable to provide the effective leadership necessary to implement our strategic plan our actual financial performance may be materially adversely different from our projections. Additionally, to the extent that any component of our strategic plan requires regulatory approval, if we are unable to obtain necessary approval, we will be unable to completely implement our strategy, which may adversely affect our actual financial results. Our inability to successfully implement our strategic plan could adversely affect the price of our Class A common stock. We depend on the accuracy and completeness of information about customers and counterparties. In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We also may rely on representations of customers and counterparties as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. In deciding whether to extend credit, we may rely upon our customers' representations that their financial statements conform to GAAP and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. We also may rely on customer representations and certifications or other audit or accountants' reports, with respect to the business and financial condition of our clients. Our financial condition, results of operations, financial reporting and reputation could be negatively affected if we rely on materially misleading, false, inaccurate or fraudulent information. We are subject to possible claims and litigation pertaining to fiduciary responsibility. From time to time, customers could make claims and take legal action pertaining to our performance of our fiduciary responsibilities. Whether customer claims and legal action related to our performance of our fiduciary responsibilities are founded or unfounded, if such claims and legal actions are not resolved in a manner favorable to us, they may result in significant financial liability and / or adversely affect our market perception of our products and services as well as impact customer demand for those products and services. Any financial liability or reputation damage could have a material adverse effect on our business, which, in turn, could have a material adverse effect on our financial condition and results of operations. We **may be the subject of litigation, which would result in legal liability and damage to its business and reputation. From time to time, we may be subject to claims or legal action from customers, employees or others.**

Financial institutions like the Company are facing a growing number of significant class actions, including those based on the manner of calculation of interest on loans and the assessment of overdraft fees. Future litigation could include claims for substantial compensatory and / or punitive damages or claims for indeterminate amounts of damages. The Company is also involved from time to time in other reviews, investigations and proceedings (both formal and informal) by governmental and other agencies regarding its businesses. These matters also could result in adverse judgments, settlements, fines, penalties, injunctions or other relief. Like other financial institutions, we are also subject to risk from potential employee misconduct, including non- compliance with policies and improper use or disclosure of confidential information. Substantial legal liability or significant regulatory action against us could materially adversely affect its business, financial condition or results of operations and / or cause significant reputational harm to its business. We continually encounter technological change and may have fewer resources than our competitors to continue to invest in technological improvements. The banking and financial services industries are undergoing rapid technological changes with frequent introductions of new technology- driven products and services. In addition to enhancing the level of service provided to customers, the effective use of technology increases efficiency and enables financial institutions to reduce costs. Our future success will depend, in part, upon our ability to address the needs of our customers by using technology to provide products and services that enhance customer convenience and create additional efficiencies in operations. Many of our competitors have greater resources to invest in technological improvements and we may not be able to effectively implement new technology- driven products and services, which could reduce our ability to effectively compete. Our information systems may experience a failure or interruption. We rely heavily on communications and information systems to conduct our business. Any failure or interruption in the operation of these systems could impair or prevent the effective operation of our customer relationship management, general ledger, deposit, lending or other functions. While we have policies and procedures designed to prevent or limit the effect of a failure or interruption in the operation of our information systems, there can be no assurance that any such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions impacting our information systems could damage our reputation, result in a loss of customer business and expose us to additional regulatory scrutiny, civil litigation and possible financial liability, any of which could have a material adverse effect on our financial condition and results of operations. We use information technology in our operations and offer online banking services to our customers, and unauthorized access to our or our customers' confidential or proprietary information as a result of a cyber- attack or otherwise could expose us to reputational harm and litigation and adversely affect our ability to attract and retain customers. Information security risks for financial institutions have generally increased in recent years, in part because of the proliferation of new technologies, the use of the internet and telecommunications technologies to conduct financial transactions and the increased sophistication and activities of organized crime, hackers, terrorists, activists and other external parties. The financial services industry has seen increases in electronic fraudulent activity, hacking, security breaches, sophisticated social engineering and cyber- attacks, including in the commercial banking sector, as cyber criminals have been targeting commercial bank accounts on an increasing basis. We are under continuous threat of loss due to fraudulent activity, hacking and cyber- attacks, especially as we continue to expand customer capabilities to utilize internet and other remote channels to transact business. Our risk and exposure to these matters remains heightened because of the evolving nature and complexity of these threats from cyber criminals and hackers, our plans to continue to provide internet banking and mobile banking channels and our plans to develop additional remote connectivity solutions to serve our customers. Therefore, the secure processing, transmission and storage of information in connection with our online banking services are critical elements of our operations. However, our network is vulnerable to unauthorized access, computer viruses and other malware, phishing schemes or other security failures. In addition, our customers may use personal smartphones, tablet PCs or other mobile devices that are beyond our control systems in order to access our products and services. Our technologies, systems and networks and our customers' devices, may become the target of cyber- attacks, electronic fraud or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our customers' confidential, proprietary and other information, or otherwise disrupt our or our customers' or other third parties' business operations. As cyber threats continue to evolve, we may be required to spend significant capital and other resources to protect against these threats or to alleviate or investigate problems caused by such threats. Our business relies on the secure processing, storage, transmission and retrieval of confidential customer information in our computer and data management systems and networks, and in the computer and data management systems and networks of third parties, and any breaches or unauthorized access to such information could present significant regulatory costs and expose us to litigation and other possible liabilities. Any inability to prevent these types of security threats could also cause existing customers to lose confidence in our systems and could adversely affect our reputation and ability to generate deposits. The occurrence of any cyber- attack or information security breach could result in financial losses or increased costs to us or our clients, disclosure or misuse of confidential information belonging to us or personal or confidential information belonging to our clients, misappropriation of assets, reputational damage, damage to our competitive position and the disruption of our operations, all of which could adversely affect our financial condition or results of operations. In recent periods, several governmental agencies and large corporations, including financial service organizations and retail companies, have suffered major data breaches, in some cases exposing not only their confidential and proprietary corporate information, but also sensitive financial and other personal information of their clients or clients and their employees or other third parties and subjecting those agencies and corporations to potential fraudulent activity and their clients, clients and other third parties to identity theft and fraudulent activity in their credit card and banking accounts. Therefore, security breaches and cyber- attacks can cause significant increases in operating costs, including the costs and capital expenditures required to correct the deficiencies and strengthen the security of data processing and storage systems. Unfortunately, it is not always possible to anticipate, detect, or recognize these threats to our systems, or to implement effective preventative measures against all breaches, whether those breaches are malicious or accidental. ~~Cyber- security~~ **Cybersecurity**

risks for banking organizations have significantly increased in recent years and have been difficult to detect before they occur because, among other reasons: • the proliferation of new technologies and the use of the internet and telecommunications technologies to conduct financial transactions; • these threats arise from numerous sources, not all of which are in our control, including among others, human error, fraud or malice on the part of employees or third parties, accidental technological failure, electrical or telecommunication outages, failures of computer servers or other damage to our property or assets, natural disasters or severe weather conditions, health emergencies or pandemics, or outbreaks of hostilities or terrorist acts; • the techniques used in cyber- attacks change frequently and may not be recognized until launched or until well after the breach has occurred; • the increased sophistication and activities of organized crime groups, hackers, terrorist organizations, hostile foreign governments, disgruntled employees or vendors, activists and other external parties, including those involved in corporate espionage; • the vulnerability of systems to third parties seeking to gain access to such systems either directly or using equipment or security passwords belonging to employees, customers, third- party service providers or other users of our systems; and • our frequent transmission of sensitive information to, and storage of such information by, third parties, including our vendors and regulators, and possible weaknesses that go undetected in our data systems notwithstanding the testing we conduct of those systems. While we invest in systems and processes that are designed to detect and prevent security breaches and cyber- attacks and we conduct periodic tests of our security systems and processes, we may not succeed in anticipating or adequately protecting against or preventing all security breaches and cyber- attacks from occurring. Even the most advanced internal control environment may be vulnerable to compromise. Targeted social engineering attacks are becoming more sophisticated and are extremely difficult to prevent. Additionally, the existence of cyber- attacks or security breaches at third parties with access to our data, such as vendors, may not be disclosed to us in a timely manner. Further, we may not be able to insure against losses related to cyber threats. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities or incidents. As is the case with non- electronic fraudulent activity, cyber- attacks or other information or security breaches, whether directed at us or third parties, may result in a material loss or have material consequences. Furthermore, the public perception that a cyber- attack on our systems has been successful, whether or not this perception is correct, may damage our reputation with customers and third parties with whom we do business. A successful penetration or circumvention of system security could cause us negative consequences, including loss of customers and business opportunities, disruption to our operations and business, misappropriation or destruction of our confidential information and / or that of our customers, or damage to our customers' and / or third parties' computers or systems, and could expose us to additional regulatory scrutiny and result in a violation of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in our security measures, reputational damage, reimbursement or other compensatory costs, additional compliance costs, and could adversely impact our results of operations, liquidity and financial condition. We are dependent upon outside third parties for the processing and handling of our records and data. We rely on software developed by third- party vendors to process various transactions. In some cases, we have contracted with third parties to run their proprietary software on our behalf. These systems include, but are not limited to, general ledger, payroll, employee benefits, loan and deposit processing and securities portfolio accounting. While we perform a review of controls instituted by the applicable vendors over these programs in accordance with industry standards and perform our own testing of user controls, we must rely on the continued maintenance of controls by these third- party vendors, including safeguards over the security of customer data. In addition, we maintain, or contract with third parties to maintain, daily backups of key processing outputs in the event of a failure on the part of any of these systems. Nonetheless, we may incur a temporary disruption in our ability to conduct business or process transactions, or incur damage to our reputation, if the third- party vendor fails to adequately maintain internal controls or institute necessary changes to systems. Such a disruption or breach of security may have a material adverse effect on our business. We are subject to losses due to the errors or fraudulent behavior of employees or third parties. We are exposed to many types of operational risk, including the risk of fraud by employees and outsiders, clerical record- keeping errors and transactional errors. Our business is dependent on our employees as well as third- party service providers to process a large number of increasingly complex transactions. We could be materially adversely affected if someone causes a significant operational breakdown or failure, either as a result of human error or where an individual purposefully sabotages or fraudulently manipulates our operations or systems. When we originate loans, we rely upon information supplied by loan applicants and third parties, including the information contained in the loan application, property appraisal and title information, if applicable, and employment and income documentation provided by third parties. If any of this information is misrepresented and such misrepresentation is not detected prior to loan funding, we generally bear the risk of loss associated with the misrepresentation. Any of these occurrences could result in a diminished ability of us to operate our business, potential liability to customers, reputational damage and regulatory intervention, which could negatively impact our business, financial condition and results of operations. If our enterprise risk management framework is not effective at mitigating risk and loss to us, we could suffer unexpected losses and our results of operations could be materially adversely affected. Our enterprise risk management framework seeks to achieve an appropriate balance between risk and return, which is critical to optimizing stockholder value. We have established processes and procedures intended to identify, measure, monitor, report and analyze the types of risk to which we are subject, including credit, liquidity, operational, regulatory compliance and reputational. However, as with any risk management framework, there are inherent limitations to our risk management strategies as there may exist, or develop in the future, risks that we have not appropriately anticipated or identified. For example, the recent financial and credit crisis and resulting regulatory reform highlighted both the importance and some of the limitations of managing unanticipated risks. If our risk management framework proves ineffective, we could suffer unexpected losses and our business and results of operations could be materially adversely affected. Changes in accounting standards could materially impact our financial statements. From time to time, the Financial Accounting Standards Board or the SEC may change the financial accounting and reporting standards that govern the preparation of our financial statements. Such changes may result in us being subject to new or changing accounting and reporting standards. In addition, the bodies that interpret the accounting standards (such as banking regulators, outside auditors or management) may change their interpretations or positions on how these standards should be applied. These changes may be beyond our control, can be hard to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retrospectively or apply an existing standard differently, also retrospectively, in each case resulting in our needing to revise or restate prior period financial statements. If the goodwill that we have recorded or may record in connection with a business acquisition becomes impaired, it could require charges to earnings, which would adversely affect our business, financial condition and results of operations. Goodwill represents the amount by which the cost of an acquisition exceeded the fair value of net assets we acquired in connection with the purchase of another financial institution. We review goodwill for impairment at least annually, or more frequently if a triggering event occurs which indicates that the carrying value of the asset might be impaired. There can be no assurance that our future evaluations of our existing goodwill or goodwill we may acquire in the future will not result in findings of impairment and related write- downs, which could adversely affect our business, financial condition and results of operations. For additional information about the Company' s impairment assessment process and results see " NOTE 7 – GOODWILL AND CORE DEPOSIT INTANGIBLES " in Notes to Consolidated Financial Statements. We may be required to repurchase mortgage loans or indemnify buyers against losses in some circumstances, which could harm liquidity, results of operations and financial condition. When mortgage loans are sold, whether as whole loans or pursuant to a securitization, we are required to make customary representations and warranties to purchasers, guarantors and insurers, including government- sponsored enterprises, about the mortgage loans and the manner in which they were originated. We may be required to repurchase or substitute mortgage loans, or indemnify buyers against losses, in the event we breach these representations or warranties. In addition, we may be required to repurchase mortgage loans as a result of early payment default of the borrower on a mortgage loan. With respect to loans that are originated through Equity Bank or correspondent channels, the remedies available against the originating broker or correspondent, if any, may not be as broad as the remedies available to purchasers, guarantors and insurers of mortgage loans against us. We face further risk that the originating broker or correspondent, if any, may not have financial capacity to perform remedies that otherwise may be available. Therefore, if a purchaser, guarantor or insurer enforces its remedies against us, we may not be able to recover losses from the originating broker or correspondent. If repurchase and indemnity demands increase and such demands are valid claims and are in excess of our provision for potential losses, our liquidity, results of operations and financial condition may be adversely affected. Increasing scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks. Companies are facing increasing scrutiny from customers, regulators, investors, and other stakeholders related to their environmental, social and governance (" ESG ") practices and disclosure. Investor advocacy groups, investment funds and influential investors are also increasingly focused on these practices, especially as they relate to the environment, health and safety, diversity, labor conditions and human rights. Increased ESG related compliance costs could result in increases to our overall operational costs. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards could negatively impact our reputation, ability to do business with certain partners, and our stock price. New government regulations could also result in new or more stringent forms of ESG oversight and expanding mandatory and voluntary reporting, diligence, and disclosure. We are subject to extensive regulation in the conduct of our business, which imposes additional costs on us and adversely affects our profitability. As a bank holding company, we are subject to federal regulation under the BHC Act, and the examination and reporting requirements of the Federal Reserve. Federal regulation of the banking industry, along with tax and accounting laws, regulations, rules and standards, may limit our operations significantly and control the methods by which we conduct business, as they limit those of other banking organizations. Banking regulations are primarily intended to protect depositors, deposit insurance funds and the banking system as a whole and not stockholders or other creditors. These regulations affect lending practices, capital structure, investment practices, dividend policy and overall growth, among other things. For example, federal and state consumer protection laws and regulations limit the manner in which we may offer and extend credit. In addition, the laws governing bankruptcy generally favor debtors, making it more expensive and more difficult to collect from customers who become subject to bankruptcy proceedings. We also may be required to invest significant management attention and resources to evaluate and make any changes necessary to comply with applicable laws and regulations, particularly as a result of regulations adopted under the Dodd- Frank Act. This allocation of resources, as well as any failure to comply with applicable requirements, may negatively impact our financial condition and results of operations. Changes in laws, government regulation and monetary policy may have a material effect on our results of operations. Financial institutions have been the subject of significant legislative and regulatory changes and may be the subject of further significant legislation or regulation in the future, none of which is within our control. New proposals for legislation continue to be introduced in the United States Congress that could further substantially increase regulation of the bank and non- bank financial services industries, impose restrictions on the operations and general ability of firms within the industry to conduct business consistent with historical practices, including in the areas of compensation, interest rates, financial product offerings and disclosures and have an effect on bankruptcy proceedings with respect to consumer residential real estate mortgages, among other things. Federal and state regulatory agencies also frequently adopt changes to their regulations or change the manner in which existing regulations are applied. Changes to statutes, regulations or regulatory policies, including changes in their interpretation or implementation by regulators, could affect us in substantial and unpredictable ways. Such changes could, among other things, subject us to additional costs and lower revenues, limit the types of financial services and products that we may offer, ease restrictions on non- banks and thereby enhance their ability to offer competing financial services and products, increase compliance costs and require a significant amount of management' s time and attention. Failure to comply with statutes, regulations or policies could result in sanctions by regulatory agencies, civil monetary penalties or reputational damage, each of which could have a material adverse effect on our business, financial condition and results of operations. Banking agencies periodically conduct examinations of our business, including compliance with laws and regulations, and our failure to comply with any supervisory actions to which we become subject as a result of such examinations could materially and adversely affect us. We are subject to supervision and regulation by federal and state banking agencies that periodically conduct examinations of our business, including compliance with laws and regulations – specifically, our subsidiary, Equity Bank, is subject to examination by the Federal Reserve and the OSBC and we are subject to examination by the Federal Reserve. Accommodating such examinations may require management to reallocate resources, which would otherwise be used in the day- to- day operation of other aspects of our business. If, as a result of an examination, any such banking agency was to determine that the financial condition, capital resources, allowance for credit losses, asset quality, earnings prospects, management, liquidity or other aspects of our operations had become unsatisfactory, or that we or our management were in violation of any law or regulation, such banking agency may take a number of different remedial actions as it deems appropriate. These actions include the power to enjoin " unsafe or unsound " practices, to require affirmative actions to correct any conditions resulting from any violation or practice, to issue an administrative order that can be judicially enforced, to direct an increase in our capital, to restrict our growth, to assess civil monetary penalties against us, our officers, or directors, to remove officers and directors and, if it is concluded that such conditions cannot be corrected or there is an imminent risk of loss to depositors, to terminate our deposit insurance. If we become subject to such a regulatory action, it could have a material adverse effect on our business, financial condition and results of operations. Our banking subsidiary may be required to pay higher FDIC insurance premiums or special assessments which may adversely affect our earnings. As a member institution of the FDIC, our banking subsidiary, Equity Bank, is assessed a quarterly deposit insurance premium. We are generally unable to control the amount of premiums or special assessments that Equity Bank is required to pay, future bank failures may stress the Deposit Insurance Fund and prompt the FDIC to increase its premiums or to issue special assessments. Any future changes in the calculation or assessment of FDIC insurance premiums may have a material adverse effect on our results of operations, financial condition and our ability to continue to pay dividends on our common stock at the current rate or at all. We are subject to certain capital requirements by regulators. Applicable regulations require us to maintain specific capital standards in relation to the respective credit risks of our assets and off- balance sheet exposures. Various components of these requirements are subject to qualitative judgments by regulators. We maintain a " well capitalized " status under the current regulatory framework. Our failure to maintain a " well capitalized " status could affect our customers' confidence in us, which could adversely affect our ability to do business. In addition, failure to maintain such status could also result in restrictions imposed by our regulators on our growth and other activities. Any such effect on customers or restrictions by our regulators could have a material adverse effect on our financial condition and results of operations. We are subject to stringent capital requirements, which may adversely impact our return on equity or constrain us from paying dividends or repurchasing shares. Banking institutions are required to hold more capital as a percentage of assets than most industries. Holding high amounts of capital compresses our earnings and constrains growth. In addition, the failure to meet applicable regulatory capital requirements could result in one or more of our regulators placing limitations or conditions on our activities, including our growth initiatives, or restricting the commencement of new activities, and could affect client and investor confidence, our costs of funds and FDIC insurance costs and our ability to make acquisitions and result in a material adverse effect on our business, financial condition, results of operations and growth prospects. We may need to raise additional capital in the future, including as a result of potential increased minimum capital thresholds established by regulators, but that capital may not be available when it is needed or may be dilutive to stockholders. We are required by federal and state regulatory authorities to maintain adequate capital levels to support our operations. New regulations implementing minimum capital standards could require financial institutions to maintain higher minimum capital ratios and may place a greater emphasis on common equity as a component of " Tier 1 capital, " which consists generally of stockholders' equity and qualifying preferred stock, less certain goodwill items and other intangible assets. In order to support our operations and comply with regulatory standards, we may need to raise capital in the future. Our ability to raise additional capital will depend on conditions in the capital markets at that time, which are outside of our control, and on our financial performance. Accordingly, we cannot assure you of our ability to raise additional capital, if needed, on favorable terms. The capital and credit markets have experienced significant volatility in recent years. In some cases, the markets have produced downward pressure on stock prices and credit availability for certain issuers without regard to those issuers' underlying financial strength. If we cannot raise additional capital when needed, our financial condition and results of operations may be adversely affected and our banking regulators may subject us to regulatory enforcement action, including receivership. Furthermore, our issuance of additional shares of our Class A common stock could dilute the economic ownership interest of our Class A stockholders. Stockholders may be deemed to be acting in concert or otherwise in control of us and our bank subsidiary, which could impose prior approval requirements and result in adverse regulatory consequences for such holders. We are a bank holding company regulated by the Federal Reserve. Any entity (including a " group " composed of natural persons) owning 25 % or more of a class of our outstanding shares of voting stock, or a lesser percentage if such holder or group otherwise exercises a " controlling influence " over us, may be subject to regulation as a " bank holding company " in accordance with the Bank Holding Company Act of 1956, as amended. In addition, (i) any bank holding company or foreign bank with a U. S. presence is required to obtain the approval of the Federal Reserve under the Bank Holding Company Act to acquire or retain 5 % or more of a class of our outstanding shares of voting stock, and (ii) any person other than a bank holding company may be required to obtain prior regulatory approval under the Change in Bank Control Act to acquire or retain 10 % or more of our outstanding shares of voting stock. Any stockholder that is deemed to " control " the Company for bank regulatory purposes would become subject to prior approval requirements and ongoing regulation and supervision. Such a holder may be required to divest amounts equal to or exceeding 5 % of the voting shares of investments that may be deemed incompatible with bank holding company status, such as an investment in a company engaged in non- financial activities. Regulatory determination of " control " of a depository institution or holding company is based on all of the relevant facts and circumstances. Potential investors are advised to consult with their legal counsel regarding the applicable regulations and requirements. Shares of our common stock owned by holders determined by a bank regulatory agency to be acting in concert would be aggregated for purposes of determining whether those holders have control of a bank or bank holding company. Each stockholder obtaining control that is a " company " would be required to register as a bank holding company. " Acting in concert " generally means knowing participation in a joint activity or parallel action towards the common goal of acquiring control of a bank or a parent company, whether or not pursuant to an express agreement. The manner in which this definition is applied in individual circumstances can vary and cannot always be predicted with certainty. Many factors can lead to a finding of acting in concert, including where: (i) the stockholders are commonly controlled or managed; (ii) the stockholders are parties to an oral or written agreement or understanding regarding the acquisition, voting or transfer of control of voting securities of a bank or bank holding company; (iii) the stockholders are immediate family members; or (iv) both a stockholder and a controlling stockholder, partner, trustee or management official of such stockholder own equity in the bank or bank holding company. We are subject to numerous laws designed to protect consumers, including the Community Reinvestment Act and fair lending laws, and failure to comply with these laws could lead to a wide variety of sanctions. The Community Reinvestment Act, or CRA, the Equal Credit Opportunity Act, the Fair Housing Act and other fair lending laws and regulations impose nondiscriminatory lending requirements on financial institutions. The U. S. Department of Justice and other federal agencies are responsible for enforcing these laws and regulations. A successful regulatory challenge to an institution' s performance under the CRA or fair lending laws and regulations could result in a wide variety of sanctions, including damages and civil money penalties, injunctive relief, restrictions on mergers and acquisitions activity, restrictions on expansion and restrictions on entering new business lines. Private parties may also have the ability to challenge an institution' s performance under fair lending laws in private class action litigation. Such actions could have a material adverse effect on our business, financial condition, results of operations and future prospects. We are subject to the Bank Secrecy Act and other anti- money laundering statutes and regulations, and any deemed deficiency by us with respect to these laws could result in significant liability. The Bank Secrecy Act, the USA PATRIOT Act of 2001, or the Patriot Act, and other laws and regulations require financial institutions, among other duties, to institute and maintain an effective anti- money laundering program and file suspicious activity and currency transaction reports, when appropriate. In addition to other bank regulatory agencies, the federal Financial Crimes Enforcement Network of the U. S. Treasury, is authorized to impose significant civil money penalties for violations of those requirements and has recently engaged in coordinated enforcement efforts with the state and federal banking regulators, as well as the U. S. Department of Justice, Consumer Financial Protection Bureau, Drug Enforcement Administration and Internal Revenue Service, or the IRS. We are also subject to increased scrutiny of compliance with the rules enforced by the Office of Foreign Assets Control of the U. S. Treasury regarding, among other things, the prohibition of transacting business with and the need to freeze assets of, certain persons and organizations identified as a threat to the national security, foreign policy or economy of the United States. If our policies, procedures and systems are deemed deficient, we would be subject to liability, including fines and regulatory actions, which may include restrictions on our ability to pay dividends and the necessity to obtain regulatory approvals to proceed with certain aspects of our business plan, including our acquisition plans. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have serious reputational consequences for us. Any of these results could have a material adverse effect on our business, financial condition, results of operations and future prospects. Many of our new activities and expansion plans require regulatory approvals and failure to obtain them may restrict our growth. We intend to complement and expand our business by pursuing strategic acquisitions of financial institutions and other complementary businesses. Generally, we must receive state and federal regulatory approval before we can acquire an FDIC- insured depository institution or related business. In determining whether to approve a proposed acquisition, federal banking regulators will consider, among other factors, the effect of the acquisition on competition, our financial condition, our future prospects and the impact of the proposal on U. S. financial stability. The regulators also review current and projected capital ratios and levels, the competence, experience and integrity of management and its record of compliance with laws and regulations, the convenience and needs of the communities to be served (including the acquiring institution' s record of compliance under the CRA) and the effectiveness of the acquiring institution in combating money laundering activities. Such regulatory approvals may not be granted on terms that are acceptable to us, or at all. We may also be required to sell branches as a condition to receiving regulatory approval, which may not be acceptable to us or, if acceptable to us, may reduce the benefit of any acquisition. The Federal Reserve may require us to commit capital resources to support our subsidiary, Equity Bank. The Federal Reserve requires a bank holding company to act as a source of financial and managerial strength to its subsidiary banks and to commit resources to support its subsidiary banks. Under the " source of strength " doctrine, the Federal Reserve may require a bank holding company to make capital injections into a troubled subsidiary bank at times when the bank holding company may not be inclined to do so and may charge the bank holding company with engaging in unsafe and unsound practices for failure to commit resources to such a subsidiary bank. Accordingly, we could be required to provide financial assistance to our subsidiary, Equity Bank, if it experiences financial distress. Such a capital injection may be required at a time when our resources are limited, and we may be required to borrow the funds to make the required capital injection. In the event of a bank holding company' s bankruptcy, the bankruptcy trustee will assume any commitment by the holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank. Moreover, bankruptcy law provides that claims based on any such commitment will be entitled to a priority of payment over the claims of the holding company' s general unsecured creditors, including the holders of any note obligations. The laws that regulate our operations are designed for the protection of depositors and the public, not our stockholders. The federal and state laws and regulations applicable to our operations give regulatory authorities extensive discretion in connection with their supervisory and enforcement responsibilities and generally have been promulgated to protect depositors and the FDIC' s DIF and not for the purpose of protecting stockholders. These laws and regulations can materially affect our future business. Laws and regulations now affecting us may be changed at any time and the interpretation of such laws and regulations by bank regulatory authorities is also subject to change. As a bank holding company, the sources of funds available to us are limited. Any future constraints on liquidity at the holding company level could impair our ability to declare and pay dividends on our Class A common stock. In some instances, notice to, or approval from, the Federal Reserve may be required prior to our declaration or payment of dividends. Further, our operations are primarily conducted by our subsidiary, Equity Bank, which is subject to significant regulation. Federal and state banking laws restrict the payment of dividends by banks to their holding companies and Equity Bank will be subject to these restrictions in paying dividends to us. Because our ability to receive dividends or loans from Equity Bank is restricted, our ability to pay dividends to our stockholders is also restricted. Additionally, the right of a bank holding company to participate in the assets of its subsidiary bank in the event of a bank- level liquidation or reorganization is subject to the claims of the bank' s creditors, including depositors, which take priority, except to the extent that the holding company may be a creditor with a recognized claim. **Negative developments affecting the banking industry, and resulting media coverage in 2023 eroded customer confidence in the banking system. The high- profile bank failures in 2023 involving Silicon Valley Bank, Signature Bank and First Republic Bank have generated significant market volatility among publicly traded bank holding companies and, in particular, regional banks like Equity Bank. These market developments negatively impacted customer confidence in the safety and soundness of regional banks. As a result, customers may choose to maintain deposits with larger financial institutions or invest in higher yielding short- term fixed income securities, all of which could materially adversely impact Equity Bank' s liquidity, loan funding capacity, net interest margin, capital and results of operations. While the Department of the Treasury, the Federal Reserve, and the FDIC made statements ensuring that depositors of these failed banks would have access to their deposits, including uninsured deposit accounts, there is no guarantee that such actions will be successful in restoring customer confidence in regional banks and the banking system more broadly. Any regulatory examination scrutiny or new regulatory requirements arising from the recent events in the banking industry could increase the Company' s expenses and affect the Company' s operations. The Company and Equity Bank anticipate increased regulatory scrutiny and new regulations directed towards banks of similar size to the Bank, designed to address the recent negative developments in the banking industry, all of which may increase the Company' s costs of doing business and reduce its profitability. Among other things, there may be an increased focus by both regulators and investors on deposit composition and the level of uninsured deposits. As a result, the Bank could face increased scrutiny or be viewed as higher risk by regulators and the investor community. Equity Bank' s level of uninsured deposits as a percentage of non- brokered deposits was 35. 2 % at December 31, 2023, and 25. 3 % at December 31, 2022. Climate change related legislative and regulatory initiatives, have the potential to disrupt our business and adversely impact the operations and creditworthiness of our customers. Political and social attention to the issue of climate change has increased. The federal and state legislatures and regulatory agencies have proposed legislative and regulatory initiatives seeking to mitigate the effects of climate change. These agreements and measures may result in the imposition of taxes and fees, the required purchase of emission credits, and the implementation of significant operational changes. In addition, the federal banking agencies may address climate- related issues in their agendas in various ways, including by increasing supervisory expectations with respect to banks' risk management practices, accounting for the effects of climate change in stress testing scenarios and systemic risk assessments, revising expectations for credit portfolio concentrations based on climate- related initiatives and lending to communities disproportionately impacted by the effects of climate change. We may incur compliance, operating, maintenance and remediation costs.** The market price of our Class A common stock may be subject to substantial fluctuations which may make it difficult for you to sell your shares at the volumes, prices and times desired. The trading price of our Class A common stock may be volatile, which may make it difficult for you to resell your shares at the volume, prices and times desired. There are many factors that may impact the market price and trading volume of our Class A common stock, including: • actual or anticipated fluctuations in our operating results, financial condition or asset quality; • market conditions in the broader stock market in general or in our industry in particular; • publication of research reports about us, our competitors or the bank and non-bank financial services industries generally, or changes in, or failure to meet, securities analysts' estimates of our financial and operating performance, or lack of research reports by industry analysts or ceasing of coverage; • future issuances of our Class A common stock or other securities; • significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving our competitors or us; • additions or departures of key personnel; • trades of large blocks of our Class A common stock; • economic and political conditions or events; • regulatory developments; and • other news, announcements or disclosures (whether by us or others) related to us, our competitors, our core markets or the bank and non-bank financial services industries. The stock market and, in particular, the market for financial institution stocks, have experienced substantial fluctuations in recent years, which in many cases have been unrelated to the operating performance and prospects of particular companies. In addition, significant fluctuations in the trading volume in our Class A common stock may cause significant price variations to occur. Increased market volatility may materially and adversely affect the market price of our Class A common stock, which could make it difficult to sell your shares at the volume, prices and times desired. In the past, following periods of volatility in the market price of our common stock, securities class action litigation has been instituted. Pending or future securities class action suits against us could result in significant liabilities and, regardless of the outcome, could result in substantial costs and the diversion of our management' s attention and resources. The obligations associated with being a public company require significant resources and management attention. As a public company, we face increased legal, accounting, administrative and other costs and expenses that are not incurred by private companies. We subject to the reporting requirements of the Exchange Act, which requires that we file annual, quarterly and current reports with respect to our business and financial condition and proxy and other information statements, and the rules and regulations implemented by the SEC, the

Sarbanes- Oxley Act, the Dodd- Frank Act, the PCAOB and the ~~NASDAQ~~ New York Stock Exchange ~~Market LLC~~, each of which imposes additional reporting and other obligations on public companies. As a public company, we are required to: • prepare and distribute periodic reports, proxy statements and other stockholder communications in compliance with the federal securities laws and rules; • expand the roles and duties of our board of directors and committees thereof; • maintain an enhanced internal audit function; • institute more comprehensive financial reporting and disclosure compliance procedures; • involve and retain to a greater degree outside counsel and accountants in the activities listed above; • enhance our investor relations function; • establish internal policies, including those relating to trading in our securities and disclosure controls and procedures; • retain additional personnel; • comply with the ~~NASDAQ Global Select Market~~ New York Stock Exchange listing standards; and • comply with the Sarbanes- Oxley Act. We expect these rules and regulations and changes in laws, regulations and standards relating to corporate governance and public disclosure, which have created uncertainty for public companies, to increase legal and financial compliance costs and make some activities more time consuming and costly. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Our investment in compliance with existing and evolving regulatory requirements will result in increased administrative expenses and a diversion of management' s time and attention from revenue- generating activities to compliance activities, which could have a material adverse effect on our business, financial condition and results of operations. These increased costs may require us to divert a significant amount of money that we could otherwise use to expand our business and achieve our strategic objectives **.** There is no guarantee that we will declare or pay cash dividends on our common stock. The holders of our common stock will receive dividends if and when declared by our board of directors out of legally available funds. Any future determination relating to our dividend policy will be made at the discretion of our board of directors and will depend on a number of factors, including our future earnings, capital requirements, financial condition, future prospects, regulatory restrictions and other factors that our board of directors may deem relevant. Our principal business operations are conducted through our subsidiary, Equity Bank. Cash available to pay dividends to our stockholders is derived primarily, if not entirely, from dividends paid by Equity Bank to us. The ability of Equity Bank to pay dividends to us, as well as our ability to pay dividends to our stockholders, will continue to be subject to and limited by, certain legal and regulatory restrictions. Further, any lenders making loans to us may impose financial covenants that may be more restrictive with respect to dividend payments than the regulatory requirements. If a substantial number of shares become available for sale and are sold in a short period of time, the market price of our Class A common stock could decline. If our existing stockholders sell substantial amounts of our Class A common stock in the public market, the market price of our Class A common stock could decrease significantly. The perception in the public market that our existing stockholders might sell shares of Class A common stock could also depress our market price. A decline in the price of shares of our Class A common stock might impede our ability to raise capital through the issuance of additional shares of our Class A common stock or other equity securities and could result in a decline in the value of the shares of our Class A common stock. Securities analysts may not initiate or continue coverage on our Class A common stock, which could adversely affect the market for our Class A common stock. The trading market for our Class A common stock may depend in part on the research and reports that securities analysts publish about us and our business. We do not have any control over these securities analysts, and they may not cover our Class A common stock. If securities analysts do not cover our Class A common stock, the lack of research coverage may adversely affect our market price. If we are covered by securities analysts and our Class A common stock is the subject of an unfavorable report, the price of our Class A common stock may decline. If one or more of these analysts cease to cover us or fail to publish regular reports on us, we could lose visibility in the financial markets, which could cause the price or trading volume of our Class A common stock to decline. The trading volume in our common stock is less than other larger financial institutions. Although our Class A common stock is listed for trading on the ~~Nasdaq Global Select Market~~ **New York Stock Exchange** , the trading volume in our common stock is less than that of other, larger financial services companies. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of our Class A common stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which we have no control. Given the lower trading volume of our Class A common stock, significant sales of our Class A common stock or the expectation of these sales, could cause the price of our Class A common stock to decline. Use of our common stock for future acquisitions or to raise capital may be dilutive to existing stockholders. When we determine that appropriate strategic opportunities exist, we may acquire other financial institutions and related businesses, subject to applicable regulatory requirements. We may use our common stock for such acquisitions. We may also seek to raise capital for such acquisitions through selling additional common stock. It is possible that the issuance of additional common stock in such acquisitions or capital transactions may be dilutive to the interests of our existing stockholders. A future issuance of stock could dilute the value of our Class A common stock. We may sell additional shares of Class A common stock, or securities convertible into or exchangeable for such shares, in subsequent public or private offerings. Future issuance of any new shares could cause further dilution in the value of our outstanding shares of Class A common stock. We cannot predict the size of future issuances of our Class A common stock, or securities convertible into or exchangeable for such shares, or the effect, if any, that future issuances and sales of shares of our Class A common stock will have on the market price of our Class A common stock. Sales of substantial amounts of our Class A common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our Class A common stock. We have significant institutional investors whose interests may differ from yours. A significant portion of our outstanding equity is currently held by various investment funds. These funds could have a significant level of influence because of their level of ownership, including a greater ability than you and our other stockholders to influence the election of directors and the potential outcome of other matters submitted to a vote of our stockholders, such as mergers, the sale of substantially all of our assets and other extraordinary corporate matters and affect the votes of our board of directors. The interests of these funds could conflict with the interests of our other stockholders, including you, and any future transfer by these funds of their shares of Class A common stock to other investors who have different business objectives could have a material adverse effect on our business, financial condition, results of operations and future prospects, and the market value of our Class A common stock. Our directors and executive officers beneficially own a significant portion of our Class A common stock and have substantial influence over us. Our directors and executive officers, as a group, beneficially own a significant portion of our Class A common stock. As a result of this beneficial ownership, our directors and executive officers have the ability, by taking coordinated action, to exercise significant influence over our affairs and policies. The interests of our directors and executive officers may not be consistent with your interests as a stockholder. This influence may also have the effect of delaying or preventing changes of control, or changes in management or limiting the ability of our other stockholders to approve transactions that they may deem to be in the best interests of our Company. Shares of our Class A common stock are not insured deposits and may lose value. Shares of our Class A common stock are not savings or deposit accounts and are not insured by the FDIC' s DIF or any other agency or private entity. Such shares are subject to investment risk, including the possible loss of some or all of the value of your investment. We have the ability to incur debt and pledge our assets, including our stock in Equity Bank, to secure that debt, and holders of any such debt obligations will generally have priority over holders of our Class A common stock with respect to certain payment obligations. We have the ability to incur debt and pledge our assets to secure that debt. Absent special and unusual circumstances, a holder of indebtedness for borrowed money has rights that are superior to those of holders of Class A common stock. For example, interest must be paid to the lender before dividends can be paid to stockholders and loans must be paid off before any assets can be distributed to stockholders if we were to liquidate. Furthermore, we would have to make principal and interest payments on our indebtedness, which could reduce our profitability or result in net losses on a consolidated basis. If we fail to maintain an effective system of disclosure controls and procedures and internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for evaluating and reporting on that system of internal control. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Ensuring that we have adequate disclosure controls and procedures in place, including internal control over financial reporting, so that we can produce accurate financial statements on a timely basis is costly and time- consuming and needs to be reevaluated frequently. As a public company, we are required to comply with the Sarbanes- Oxley Act and other rules that govern public companies. Our management is required to certify our compliance with Section 404 of the Sarbanes- Oxley Act and to make annual assessments of the effectiveness of our internal control over financial reporting. In addition, our independent registered public accounting firm is required to report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective due to our failure to cure any identified material weakness or otherwise. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may not conclude that our internal control over financial reporting is effective. In the future, our independent registered public accounting firm may not be satisfied with our internal control over financial reporting or the level at which our controls are documented, designed, operated or reviewed, or it may interpret the relevant requirements differently from us. In addition, during the course of the evaluation, documentation and testing of our internal control over financial reporting, we may identify deficiencies in our internal control over financial reporting or disclosure controls. Any such deficiencies may also subject us to adverse regulatory consequences. If we fail to achieve and maintain the adequacy of our internal control over financial reporting or disclosure controls, as these standards are modified, supplemented or amended from time to time, we may be unable to report our financial information on a timely basis, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting or disclosure controls and we may suffer adverse regulatory consequences or violations of listing standards. There could also be a negative reaction in the financial markets due to a loss of investor confidence in the reliability of our financial statements. Our corporate governance documents and certain corporate and banking laws applicable to us could make a takeover more difficult. Certain provisions of our Articles of Incorporation and our Bylaws and applicable corporate and federal banking laws, could make it more difficult for a third party to acquire control of us or conduct a proxy contest, even if those events were perceived by many of our stockholders as beneficial to their interests. These provisions and the corporate and banking laws and regulations applicable to us, among others: • empower our board of directors, without stockholder approval, to issue preferred stock, the terms of which, including voting power, are set by our board of directors; • only permit stockholder action to be taken at an annual or special meeting of stockholders and not by written consent in lieu of such a meeting; • provide for a classified board of directors, so that only approximately one- third of our directors are elected each year; • prohibit us from engaging in certain business combinations with " interested stockholders " (generally defined as a holder of 15 % or more of the corporation' s outstanding voting stock); • require at least 120 days' advance notice of nominations for the election of directors and the presentation of stockholder proposals at meetings of stockholders; and • require prior regulatory application and approval of any transaction involving control of our organization. These provisions may discourage potential acquisition proposals and could delay or prevent a change in control, including under circumstances in which our stockholders might otherwise receive a premium over the market price of our shares. Our board of directors may issue shares of preferred stock that would adversely affect the rights of our Class A common stockholders. Our authorized capital stock includes 10, 000, 000 shares of preferred stock of which none were issued and outstanding as of March ~~9~~ **7** , ~~2023~~ **2024** . Our board of directors, in its sole discretion, may designate and issue one or more series of preferred stock from the authorized and unissued shares of preferred stock. Subject to limitations imposed by law or our Articles of Incorporation, our board of directors is empowered to determine: • the designation of, and the number of, shares constituting each series of preferred stock; • the dividend rate for each series; • the terms and conditions of any voting, conversion and exchange rights for each series; • the amounts payable on each series on redemption or our liquidation, dissolution or winding- up; • the provisions of any sinking fund for the redemption or purchase of shares of any series; and • the preferences and the relative rights among the series of preferred stock. We could issue preferred stock with voting and conversion rights that could adversely affect the voting power of the shares of our Class A common stock and with preferences over our Class A common stock with respect to dividends and in liquidation. The return on your investment in our Class A common stock is uncertain. We cannot provide any assurance that an investor in our Class A common stock will realize a substantial return on his or her investment, or any return at all. Further, as a result of the uncertainty and risks associated with our operations, many of which are described in this " Item 1A — Risk Factors " section, it is possible that an investor could lose his or her entire investment. We operate in a highly competitive industry and face significant competition from other financial institutions and financial services providers that could decrease our growth or profits. Consumer and commercial banking are highly competitive industries. Our market areas contain not only a large number of community and regional banks, but also a significant presence of the country' s largest commercial banks. We compete with other state and national financial institutions, as well as savings and loan associations, savings banks and credit unions, for deposits and loans. In addition, we compete with financial intermediaries, such as consumer finance companies, commercial finance companies, mortgage banking companies, insurance companies, securities firms, mutual funds and several government agencies, as well as major retailers, all actively engaged in providing various types of loans and other financial services. Some of these competitors may have a long history of successful operations in our market areas and greater ties to local businesses and more expansive banking relationships, as well as more established depositor bases, fewer regulatory constraints and lower cost structures than we do. Competitors with greater resources may possess an advantage through their ability to maintain numerous banking locations in more convenient sites, to conduct more extensive promotional and advertising campaigns or to operate a more developed technology platform. Due to their size, many competitors may offer a broader range of products and services, as well as better pricing for certain products and services than we can offer. For example, in a low interest rate environment, competitors with lower costs of capital may solicit our customers to refinance their loans with a lower interest rate. Further, increased competition among financial services companies due to the recent consolidation of certain competing financial institutions may adversely affect our ability to market our products and services. Technology has lowered barriers to entry and made it possible for banks to compete in our market areas without a retail footprint by offering competitive rates and for non- banks to offer products and services traditionally provided by banks. The financial services industry could become even more competitive as a result of legislative, regulatory and technological changes and continued consolidation. Banks, securities firms and insurance companies can merge under the umbrella of a financial holding company, which can offer virtually any type of financial service, including banking, securities underwriting, insurance (both agency and underwriting) and merchant banking. Our ability to compete successfully depends on a number of factors, including: • our ability to develop, maintain and build upon long- term customer relationships based on quality service and high ethical standards; • our ability to attract and retain qualified employees to operate our business effectively; • our ability to expand our market position; • the scope, relevance and pricing of products and services that we offer to meet customer needs and demands; • the rate at which we introduce new products and services relative to our competitors; • customer satisfaction with our level of service; and • industry and general economic trends. Failure to perform in any of these areas could significantly weaken our competitive position, which could adversely affect our growth and profitability, which, in turn, could harm our business, financial condition and results of operations. As a community bank, our ability to maintain our reputation is critical to the success of our business, and the failure to do so may materially adversely affect our performance. We are a community bank and our reputation is one of the most valuable components of our business. As such, we strive to conduct our business in a manner that enhances our reputation. This is done, in part, by recruiting, hiring and retaining employees who share our core values of being an integral part of the communities we serve, delivering superior service to our customers and caring about our customers and associates. If our reputation is negatively affected by the actions of our employees or otherwise, our business and therefore, our operating results may be materially adversely affected. Further, negative public opinion can expose us to litigation and regulatory action as we seek to implement our growth strategy. We are subject to environmental risks in our lending activities. Because a significant portion of our loan portfolio is secured by real property, we may foreclose upon and take title to such property in the ordinary course of business. If hazardous substances are found on such property, we could be liable for remediation costs, as well as for personal injury and property damage. Environmental laws might require us to incur substantial expenses, materially reduce the property' s value or limit our ability to use or sell the property. Although management has policies requiring environmental reviews before loans secured by real property are made and before foreclosure is commenced, it is still possible that environmental risks might not be detected and that the associated costs might have a material adverse effect on our financial condition and results of operations. Adverse weather or man- made events could negatively affect our markets or disrupt our operations, which could have an adverse effect upon our business and results of operations. A significant portion of our business is generated in our Arkansas, Kansas, Missouri and Oklahoma markets, which have been, and may continue to be, susceptible to natural disasters, such as tornadoes, droughts, floods and other severe weather events. These natural disasters could negatively impact regional economic conditions, cause a decline in the value or destruction of mortgaged properties and increase the risk of delinquencies, foreclosures or loss on loans originated by us, damage our banking facilities and offices and negatively impact our growth strategy. Such weather events could disrupt operations, result in damage to properties and negatively affect the local economies in the markets where we operate. We cannot predict whether, or to what extent, damage that may be caused by future weather or man- made events will affect our operations or the economies in our current or future market areas, but such events could negatively impact economic conditions in these regions and result in a decline in local loan demand and loan originations, a decline in the value or destruction of properties securing our loans and an increase in delinquencies, foreclosures or credit losses. Our business or results of operations may be adversely affected by these and other negative effects of natural or man-made disasters. Further, severe weather, natural disasters, acts of war or terrorism and other external events could adversely affect us in a number of ways, including an increase in delinquencies, bankruptcies or defaults that could result in a higher level of nonperforming assets, net charge- offs and provision for credit losses. Such risks could also impair the value of collateral securing loans and hurt our deposit base. We are or may become involved from time to time in suits, legal proceedings, information- gathering requests, investigations and proceedings by governmental and self- regulatory agencies that may lead to adverse consequences. Many aspects of our business involve substantial risk of legal liability. We have been named or threatened to be named as defendants in various lawsuits arising from our business activities (and in some cases from the activities of companies that we have acquired) including, but not limited to, consumer residential real estate mortgages. In addition, from time to time, we are, or may become, the subject of governmental and self- regulatory agency information-gathering requests, reviews, investigations and proceedings and other forms of regulatory inquiry, including by bank regulatory agencies, the Consumer Financial Protection Bureau, the SEC and law enforcement authorities. The results of such proceedings could lead to significant civil or criminal penalties, including monetary penalties, damages, adverse judgments, settlements, fines, injunctions, restrictions on the way in which we conduct our business or reputational harm. We are subject to claims and litigation pertaining to intellectual property. We rely on technology companies to provide information technology products and services necessary to support our day- to- day operations. Technology companies frequently enter into litigation based on allegations of patent infringement or other violations of intellectual property rights. In addition, patent holding companies seek to monetize patents they have purchased or otherwise obtained. Competitors of our vendors, or other individuals or companies, have from time to time claimed to hold intellectual property sold to us by its vendors. Such claims may increase in the future as the financial services sector becomes more reliant on information technology vendors. The plaintiffs in these actions frequently seek injunctions and substantial damages. Regardless of the scope or validity of such patents or other intellectual property rights, or the merits of any claims by potential or actual litigants, we may have to engage in litigation that could be expensive, time-consuming, disruptive to our operations and distracting to management. If we are found to infringe one or more patents or other intellectual property rights, we may be required to pay substantial damages or royalties to a third- party. In certain cases, we may consider entering into licensing agreements for disputed intellectual property, although no assurance can be given that such licenses can be obtained on acceptable terms or that litigation will not occur. These licenses may also significantly increase our operating expenses. If legal matters related to intellectual property claims were resolved against us or settled, we could be required to make payments in amounts that could have a material adverse effect on our business, financial condition and results of operations. We have pledged all of the stock of Equity Bank as collateral for a loan, and if the lender forecloses, you could lose your investment. We have pledged all of the stock of Equity Bank as collateral for a third- party loan, which had no balance as of December 31, ~~2022~~ **2023** . This loan has a maximum lending commitment of $ 25. 0 million. This loan was renewed subsequent to December 31, ~~2022~~ **2023** , that set a new maturity date of February 10, ~~2024~~ **2025** . If we were to default on this indebtedness, the lender of such loan could foreclose on Equity Bank' s stock and we would lose our principal asset. In that event, if the value of Equity Bank' s stock is less than the amount of the indebtedness, you would lose the entire amount of your investment. We have outstanding subordinated debt obligations, and if the Company defaults on those obligations, the debt holders could lose their investment. In the event of default, the Company' s senior debt holders will be entitled to receive payment in full prior to payment of subordinated debt holders. If the company' s distributable assets in the event of default can only repay the senior debt holders the subordinated debt holders could lose their investment. ~~48~~ **47**