

BNA Bank Officers

Vance Witt
Chairman of the Board

James R. Collins
CEO

Robert W. Spencer, CPA
BNA Bancshares, Inc.,
President;
EVP & Compliance
Officer, BNA Bank

Mike Staten
BNA Bank President

Mike Alef
BNA Insurance and
Investments President;
EVP BNA Bank

Carter Naugher
Lee County Banking President

Tom Coltharp, SVP
Information Technology

Colt Doom, SVP
Business Development

Donnie Kisner, SVP
Lee County Banking

Hugh Tate, SVP
Business Development

Brad Kennedy, 1st VP
Trust Officer

Jonathan McCoy, 1st VP
Business Development

Mike Nobles, 1st VP
Business Development

Ellen Staten, 1st VP
Mortgage Loans

D'Ann Tanner, 1st VP
Collections

Donna Weeden, 1st VP
Business Development

Morgan Akins, VP
Operations & Electronic
Banking

Tyler Basil, VP
Business Development

Della Brewster, VP
Business Development

Jeff Cagle, VP
Loan Review

Regina Cathey, VP
Account Services

Kay Darling, VP
Internal Auditor

Andrew Dodds, VP
Business Development

Amanda Kent, VP
Marketing

Kevin Kessinger, VP
Business Development

Kristin Norwood, VP
Human Resources

Tina Orman, VP
Loan Processing

Witt Spencer, VP
Mortgage Loans, Business
Development

Ashley Gooch, AVP
RA's

Zackary Cobb, AVP
Finance & Compliance

Tonya Hensley, AVP
Business Development

Anita Speck, AVP
Retail

Bruce Peters, AVP
Business Development

Casey Shackelford, AVP
Business Development

LOCATIONS

New Albany, MS
Main Office
Mortgage Loan Center
East Banking Center
West Banking Center

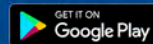
Myrtle, MS
Teller Banking

Tupelo, MS
BNA Bank Plaza (Downtown)
Barnes Crossing Banking Center
Belden Banking Center

Oxford, MS
Oxford Loan Center

BNABank.com
BNABankPlaza.com

GRAB OUR APP!

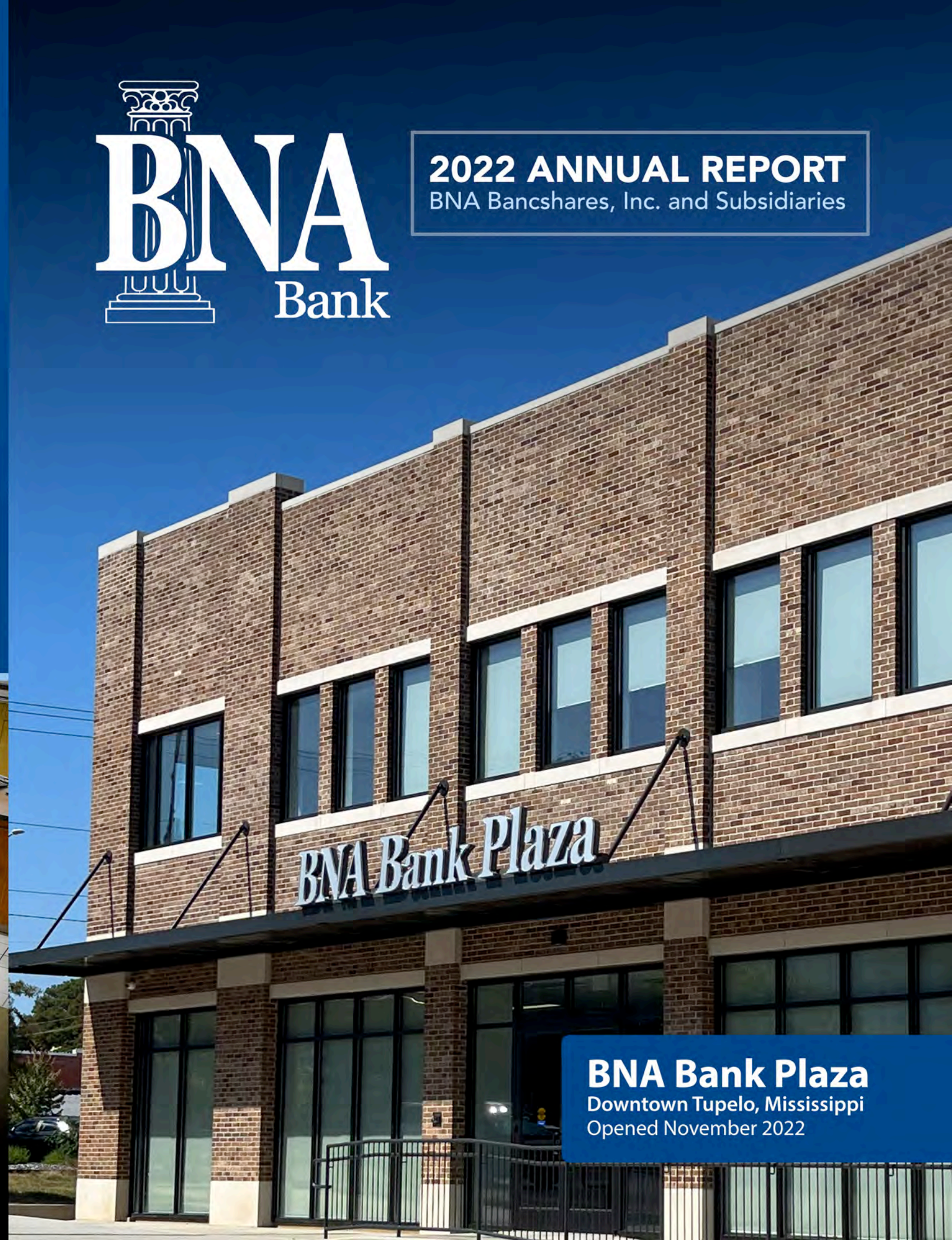


2022 ANNUAL REPORT
BNA Bancshares, Inc. and Subsidiaries



Seated L to R: Mike Alef, Tonya Hensley, Donna Weeden, Anita Speck, Kristin Norwood

Second Row: Kay Darling, Carter Naugher, Della Brewster, Bob Spencer, Bo Collins, D'Ann Tanner, Ashley Gooch, Regina Cathey; Third Row: Amanda Kent, Jonathan McCoy, Drew Dodds, Kevin Kessinger, Zack Cobb, Mike Staten, Witt Spencer, Donnie Kisner; Fourth Row: Tom Coltharp, Tyler Basil, Jeff Cagle, Bruce Peters, Morgan Akins, Hugh Tate; Back Row: Mike Nobles, Colt Doom, Tina Orman, Brad Kennedy, Ellen Staten, Casey Shackelford



BNA Bank Plaza
Downtown Tupelo, Mississippi
Opened November 2022

Dear Valued Shareholders:

We are pleased to report strong financial results of 2022 with net operating income (NOI) of \$11,003,613 compared to NOI of \$11,878,688 in 2021. As a result of these solid earnings, we paid a cash dividend of \$2.75 per share for Class A shares, and \$3.03 per share for class B shares. You may remember that 2021 was a very unusual year in that as a Community Development Financial Institution we received a onetime award of \$1,826,265 as a Rapid Response Provider to the coronavirus. We also earned onetime fees of \$1,741,894 from processing hundreds of SBA guaranteed Paycheck Protection Program (PPP) loans.

We ended 2022 with \$745,212,725 in total assets compared to \$675,140,276 in 2021 representing a 10.4% increase. Total deposits grew from \$592,231,963 to \$619,124,782 during 2022 representing a 4.5% increase and loans grew from \$330,761,498 to \$401,233,022 representing a 21.3% increase. Complete financial statements with footnotes can be found on our website at www.bnabank.com.

In summary, 2022 was a really strong year for BNA Bank as we had healthy growth in both deposits and loans. Discounting the one-time fee income derived in 2021 from the special government programs, we also had healthy net operating income growth.

As you are aware, 2022 brought on unusual high inflation and with it the Federal Reserve's efforts to contain it by raising interest rates at an extremely aggressive rate. In fact, from March 15, 2022 until Dec. 15, 2022 the Fed raised the discount rate seven times for a total of 425 percentage points resulting in the prime rate of interest increasing from 3.25% to 7.5%. This rapid increase in such a short period of time creates a real challenge for us to maintain a healthy Net Interest Margin (NIM) as deposit rates have increased at a faster pace than loans can be repriced. Therefore 2023 will be challenging, as we will see not only a tightening of the NIM but, as inflation has dictated, an increase in operating expenses including personnel expenses.

Another by-product of the swiftly rising interest rates is a devaluation of government bonds and mortgage-backed securities owned by the bank. They have to be devalued on the Balance Sheet due to the fact that if they were sold in today's market they would not bring par value. This year reflects a devaluation of \$15,016,748 which is a part of the decrease in Stockholder's Equity from \$77,804,260 to \$68,163,871. It is our intent to hold these securities until maturity which, in that case, no loss is incurred. In addition, regulators do not include a write-down of securities in their capital requirements, so our regulatory capital is \$88,893,034, yielding a healthy capital/asset ratio of 11.93% well above the required 9%.

On a bright note, we opened our new downtown Tupelo office in October of last year. It is named the BNA Bank Plaza as it is built as an office building with the whole 2nd floor leased to Phelps Law Firm. Our first floor is an open lobby concept with a coffee bar occupied by Tupelo River Coffee. Also, we have a rooftop venue that we will lease for special events. We believe our location to be the best in Tupelo and the rooftop offers great views of both downtown Tupelo and the Fairpark District. This concept is intended to reflect the new technological advances in banking products and hopefully appeal to the younger generation. We invite you to visit our new facility and to ask our staff to take you up on the roof.

Our bank slogan is "Our Space" with "S" standing for Superior Service, "P" standing for Professionalism, "A" standing for Awareness and Accuracy, "C" standing for Courtesies and Confidentiality, and "E" standing for Ethical Behavior. This slogan is ingrained in new employees in their orientation, and we hope that you see your bank staff carry out these important traits. As always, we pledge to work diligently in 2023 to provide financial results that you will be proud of. We are grateful for your investment in BNA Bancshares, Inc., and welcome your comments.



James R. Collins
Chief Executive Officer



Vance L. Witt
Chairman of the Board



BNA BANK HOLDS GRAND OPENING CEREMONY FOR BNA BANK PLAZA

BNA Bank celebrated the opening of its newest location, BNA Bank Plaza at 105 East Main Street in downtown Tupelo, Mississippi on Wednesday, November 16th with a ribbon cutting and grand opening celebration. BNA Bank Plaza is the institution's third location in Lee County, joining the Belden & Barnes Crossing locations which opened in 2007 and 2014 respectively.

BNA Bank Plaza is also the new location for Phelps Dunbar Law Offices and features a rooftop terrace with spectacular views of Downtown Tupelo.



BNA BOARD OF DIRECTORS

Sitting – L to R: James R. Collins, Vance Witt, Bob Spencer
Standing – L to R: Dr. Thomas F. Barkley, Physician; William O. Rutledge III, Attorney, Mike Staten, Dr. Samuel J. Creekmore III, Physician, Gregory D. Pirkle, Attorney.

BALANCE SHEET

As of December 31, 2022 and 2021

ASSETS	2022	2021
Cash and Due from Banks	\$ 17,787,208	\$56,824,446
Investment Securities	\$ 275,284,539	\$248,191,454
Net Loans	\$ 401,233,022	\$330,761,498
Fixed Assets, net	\$ 15,825,212	\$11,080,145
Other Assets	\$ 35,082,744	\$28,282,733
TOTAL ASSETS	\$ 745,212,725	\$675,140,276
LIABILITIES		
Deposits	\$ 619,124,782	\$592,231,963
Other Liabilities	\$ 57,924,072	\$5,104,053
TOTAL LIABILITIES	\$ 677,048,854	\$597,336,016
STOCKHOLDERS' EQUITY	\$ 68,163,871	\$77,804,260
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 745,212,725	\$675,140,276

INCOME STATEMENT

For the years ended December 31, 2022 and 2021

INCOME STATEMENT	2022	2021
Total Interest Income	\$ 25,551,631	\$23,519,306
Total Interest Expense	\$ 3,567,550	\$2,578,649
NET INTEREST INCOME	\$ 21,984,081	\$20,940,657
Provision for Loan Losses	\$ 360,000	\$440,000
NET INCOME AFTER PROVISION FOR LOAN LOSSES	\$ 21,624,081	\$20,500,657
NON-INTEREST INCOME	\$ 3,883,642	\$4,929,676
NON-INTEREST EXPENSE	\$ 12,362,988	\$11,579,840
INCOME BEFORE INCOME TAXES	\$ 13,144,735	\$13,850,493
Provision for Income Taxes	\$ 2,141,122	\$1,971,805
NET INCOME	\$ 11,003,613	\$11,878,688
EARNINGS PER SHARE	\$ 6.11	\$6.60