

United Tennessee Bankshares, Inc.
 Newport, Tennessee
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United Tennessee Bankshares, Inc. Announces Second Quarter Earnings

United Tennessee Bankshares, Inc. (OTC Markets Group OTCQB: UNTN), the holding company for Newport Federal Bank, reported net income for the six months ended June 30, 2021, of \$726,000, or \$0.91 per share compared to the same period last year of \$551,000, or \$0.65 per share. Earnings increased primarily due to an increase in net interest income of 5.2% and a decrease in non-interest expense of 2.8% compared to the same period last year.

Total assets on June 30, 2021, were \$251.7 million while total assets on December 31, 2020, were \$240.5 million. The increase in total assets was primarily the result of an increase in investment securities of \$9.8 million and an increase in cash and amounts due of \$3.1 million, offset by a decrease in net loans receivable of \$2.0 million.

Total liabilities on June 30, 2021, and December 31, 2020, were \$228.4 million and \$213.5 million, respectively. Total deposits increased \$14.2 million, which represents the majority of the increase.

The Company's equity decreased \$3.6 million, primarily due to a decrease in accumulated other comprehensive income of \$801,000, the purchase and retirement of common stock of \$3.1 million and cash dividends paid to shareholders of \$485,000; offset by net income for the year of \$726,000. The change in accumulated comprehensive income was a result of a decrease in bond market prices for the quarter-ended June 30, 2021. The Bank generally holds bond investment securities until maturity but is required to mark-to-market its bonds on a quarterly basis.

The Bank continues to monitor information from the Center for Disease Control (CDC) and are reinforcing best health practices in offices and branches.

Presented below are condensed statements of income for the three and six-months ended June 30, 2021, and selected financial condition data as of June 30, 2021, and December 31, 2020.

UNITED TENNESSEE BANKSHARES, INC.
 UNAUDITED CONDENSED STATEMENTS OF INCOME
 FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2021, AND 2020
 (In Thousands)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest Income	\$ 1,677	\$ 1,757	\$ 3,351	\$ 3,575
Interest Expense	304	478	638	995
Net Interest Income	1,373	1,279	2,713	2,580
Provision for loan losses	0	75	30	75
Net interest income after provision for loan losses	1,373	1,204	2,683	2,505
Noninterest income	203	217	396	390
Noninterest operating expense	1,048	1,068	2,087	2,146
Income before income taxes	528	353	992	749
Income taxes	146	99	266	198
Net Income	<u>\$ 382</u>	<u>\$ 254</u>	<u>\$ 726</u>	<u>\$ 551</u>
Earnings per Share:	\$ 0.50	\$ 0.30	\$ 0.91	\$ 0.65

UNITED TENNESSEE BANKSHARES, INC.
SELECTED FINANCIAL CONDITION DATA
(In Thousands)

	<u>As of</u> <u>June 30,</u> <u>2021</u> <u>(Unaudited)</u>	<u>As of</u> <u>December 31, 2020</u>
Total Assets	\$251,745	\$240,468
Loans Receivable, net	103,648	105,612
Cash and amounts due from depository institutions	13,750	10,628
Investment Securities, available for sale, at fair value	124,125	114,280
Deposit Accounts	225,666	211,438
Equity	23,343	26,977
Book Value	\$31.29	\$31.91
Common Equity	9.27%	11.13%
Leverage Equity	9.20%	10.72%