

United Tennessee Bankshares, Inc.  
 Newport, Tennessee  
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### United Tennessee Bankshares, Inc. Announces First Quarter Earnings

United Tennessee Bankshares, Inc. (OTC Markets Group OTCQB: UNTN), the holding company for Newport Federal Bank, reported net income for the three months ended March 31, 2023, of \$624,000, or \$0.83 per share, compared to the same period last year of \$380,000, or \$0.51 per share. Earnings increased primarily due to an increase in net interest income of 25.4% compared to the same period last year due to the current rate environment.

Total assets on March 31, 2023, were \$257.7 million, while total assets on December 31, 2022, were \$251.0 million. The increase in total assets was primarily the result of an increase in cash and amounts due-from and interest earning deposits of \$6.1 million.

Total liabilities on March 31, 2023, and December 31, 2022, were \$240.3 million and \$236.1 million, respectively. Total deposits increased \$3.7 million, which represents the majority of the increase.

The Company's equity increased \$2.5 million, primarily due to an increase in accumulated other comprehensive income of \$1.8 million, stock transactions of \$97,000 and net income for the year of \$624,000. The change in accumulated comprehensive income was a result of an increase in bond market prices for the quarter-ended March 31, 2023. The Bank generally holds bond investment securities until maturity but is required to mark-to-market its bonds on a quarterly basis.

Presented below are condensed statements of income for the three-months ended March 31, 2023, and selected financial condition data as of March 31, 2023, and December 31, 2022.

UNITED TENNESSEE BANKSHARES, INC.  
 UNAUDITED CONDENSED STATEMENTS OF INCOME  
 FOR THE QUARTER ENDED MARCH 31, 2023 AND 2022  
 (In Thousands)

	<u>Three Months Ended</u>	
	<u>March 31,</u>	
	<u>2023</u>	<u>2022</u>
Interest Income	\$2,157	\$1,653
Interest Expense	<u>410</u>	<u>260</u>
Net Interest Income	1,747	1,393
Provision for loan losses	<u>0</u>	<u>0</u>
Net interest income after provision for loan losses	1,747	1,393
Noninterest income	264	203
Noninterest operating expense	<u>1,217</u>	<u>1,132</u>
Income before income taxes	794	464
Income taxes	<u>170</u>	<u>84</u>
Net Income	<u>\$ 624</u>	<u>\$ 380</u>
Earnings per Share:	\$ 0.83	\$ 0.51

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

	<u>As of</u> <u>March 31,</u> <u>2023</u> <u>(Unaudited)</u>	<u>As of</u> <u>December 31, 2022</u>
Total Assets	\$257,728	\$251,033
Loans Receivable, net	110,201	108,987
Cash and amounts due from depository institutions	12,130	3,914
Investment Securities, available for sale, at fair value	119,122	119,762
Deposit Accounts	237,404	233,662
Total Equity	17,417	14,964
Tier 1 Capital	26,403	25,767