

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

United Tennessee Bankshares, Inc. (OTC Markets Group OTCQB: UNTN), the holding company for Newport Federal Bank, reported net income for the nine months ended September 30, 2023, of \$1,533,000, or \$2.03 per share, compared to the same period last year of \$1,442,000, or \$1.92 per share. Earnings increased primarily due to an increase in net interest income of 6.7% compared to the same period last year due to the current rate environment.

Total assets on September 30, 2023, were \$263.1 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 of \$13.8 million and an increase in net loans receivable of \$4.8 million, partially offset by a decrease in investment securities of \$8.7 million and a decrease in equity securities of \$543,000.

Total liabilities on September 30, 2023, and December 31, 2022, were \$247.9 million and \$236.1 million, respectively. Total deposits increased \$11.5 million, which represents the majority of the increase.

The Company's equity increased \$233,000, primarily due to an increase in common stock of \$35,000 and net income of \$1,533,000, offset by a decrease in accumulated other comprehensive income of \$796,000, cash dividends paid to shareholders of \$454,000, and a cumulative change in an accounting principle of \$85,000. The change in accumulated other comprehensive income is a result of an adjustment in bond market prices, which have been primarily driven by changes in investment market rates. The Company generally holds bond investment securities until maturity but is required to mark-to-market its bonds on a quarterly basis. The Company's regulatory capital is unaffected by fluctuations in its accumulated other comprehensive income.

Presented below are condensed statements of income for the three and nine-months ended September 30, 2023, and selected financial condition data as of September 30, 2023, and December 31, 2022.

UNITED TENNESSEE BANKSHARES, INC.
 UNAUDITED CONDENSED STATEMENTS OF INCOME
 FOR THE THREE- AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023, AND 2022
 (In Thousands)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest Income	\$ 2,387	\$ 1,900	\$ 6,794	\$ 5,326
Interest Expense	875	252	1,939	777
Net Interest Income	1,512	1,648	4,855	4,549
Provision for loan losses	0	0	0	0
Net interest income after provision for loan losses	1,512	1,648	4,855	4,549
Noninterest income	244	232	756	695
Noninterest operating expense	1,249	1,160	3,689	3,440
Income before income taxes	507	720	1,922	1,804
Income taxes	91	155	389	362
Net Income	<u>\$ 416</u>	<u>\$ 565</u>	<u>\$ 1,533</u>	<u>\$ 1,442</u>
Earnings per Share:	\$ 0.55	\$ 0.75	\$ 2.03	\$ 1.92

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

	<u>As of</u> <u>September 30,</u> <u>2023</u> <u>(Unaudited)</u>	<u>As of</u> <u>December 31,</u> <u>2022</u>
Total Assets	\$263,130	\$251,033
Loans Receivable, net	113,835	108,987
Cash and amounts due from depository institutions	17,709	3,914
Investment Securities, available for sale, at fair value	111,058	119,762
Deposit Accounts	245,203	233,662
Total Equity	15,198	14,964
Tier 1 Capital	26,796	25,767
Book Value	\$20.17	\$19.92
Equity Ratio	5.78%	5.96%