

For Immediate Release
United Tennessee Bankshares, Inc.
Newport, Tennessee
Contact: Chris Triplett, President, and CEO
Phone: (423) 623-6088

January 19, 2024

United Tennessee Bankshares, Inc. Announces Fourth Quarter Earnings

United Tennessee Bankshares, Inc. (OTC Markets Group OTCQB: UNTN), the holding company for Newport Federal Bank, reported net income for the twelve months ended December 31, 2023, of \$1,884,000, or \$2.50 per share, compared to the same period last year of \$2,108,000, or \$2.81 per share. Earnings decreased primarily due to an increase in non-interest expenses of 5.9% compared to the same period last year.

Total assets on December 31, 2023, were \$264.3 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 \$9.8 million, an increase of interest earning assets of \$4.9 million, and an increase in net loans receivable of \$6.4 million, partially offset by a decrease in investment securities of \$7.4 million and a decrease in equity securities of \$543,000.

Total liabilities on December 31, 2023, and December 31, 2022, were \$245.6 million and \$236.1 million, respectively. Total deposits increased \$7.8 million, which represents the majority of the increase.

The Company's equity increased \$3.8 million, primarily due to an increase in common stock of \$18,000, net income of \$1,884,000, and an increase in accumulated other comprehensive income of \$2.4 million, offset by cash dividends paid to shareholders of \$454,000 and a cumulative change in accounting principles 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 twelve-months ended December 31, 2023, and selected financial condition data as of December 31, 2023, and December 31, 2022.

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

	<u>Year Ended</u> <u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Interest Income	\$9,300	\$7,383
Interest Expense	3,007	1,043
Net Interest Income	6,293	6,340
Provision for loan losses	0	0
Net interest income after provision for loan losses	6,293	6,340
Noninterest income	982	934
Noninterest operating expense	4,939	4,662
Income before income taxes	2,336	2,612
Income taxes	452	504
Net Income	<u>\$1,884</u>	<u>\$2,108</u>
Earnings per Share:	\$ 2.50	\$ 2.81

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

	<u>As of</u> <u>December 31,</u> <u>2023</u>	<u>As of</u> <u>December 31,</u> <u>2022</u>
	<u>(Unaudited)</u>	
Total Assets	\$264,317	\$251,033
Loans Receivable, net	115,360	108,987
Cash and amounts due from depository institutions	13,694	3,914
Investment Securities, available for sale, at fair value	112,332	119,762
Deposit Accounts	241,436	233,662
Total Equity	18,716	14,964
Tier 1 Capital	27,130	25,767
Book Value	\$24.90	\$19.92
Equity Ratio	7.08%	5.96%