

United Tennessee Bankshares, Inc.  
 Newport, Tennessee  
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### 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, 2020 of \$1,186,000, or \$1.40 per share. Earnings are down primarily due to a decrease in net interest income of 6.7% compared to the same period last year due to the current rate environment.

Total assets on December 31, 2020 were \$242.5 million while total assets on December 31, 2019 were \$211.9 million. The increase in total assets was primarily the result of an increase in investment securities of \$35.4 million, offset by a decrease in cash and amounts due of \$5.3 million.

Total liabilities on December 31, 2020 and December 31, 2019 were \$215.5 million and \$186.4 million, respectively. Total deposits increased \$28.5 million, which represents the majority of the increase.

The Company's equity increased \$1,559,000, primarily due to an increase in accumulated other comprehensive income of \$965,000, net income for the year of \$1,186,000; offset by stock transactions of \$117,000 and dividends paid to shareholders of \$475,000. The change in accumulated comprehensive income was a result of an increase in bond market prices for the quarter-ended December 31, 2020. 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-twelve-months ended December 31, 2020 and 2019 and selected financial condition data as of December 31, 2020 and 2019.

UNITED TENNESSEE BANKSHARES, INC.  
 UNAUDITED CONDENSED STATEMENTS OF INCOME  
 FOR THE THREE- AND TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2020 AND 2019  
 (In Thousands)

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest Income	\$ 1,701	\$ 1,864	\$ 6,953	\$ 7,496
Interest Expense	381	532	1,811	1,983
Net Interest Income	1,320	1,332	5,142	5,513
Provision for loan losses	50	0	200	0
Net interest income after provision for loan losses	1,270	1,332	4,942	5,513
Noninterest income	201	165	802	738
Noninterest operating expense	1,119	1,102	4,346	4,400
Income before income taxes	352	395	1,398	1,851
Income taxes	(63)	(38)	212	343
Net Income	<u>\$ 415</u>	<u>\$ 433</u>	<u>\$ 1,186</u>	<u>\$ 1,508</u>
Earnings per Share:	\$ 0.49	\$ 0.51	\$ 1.40	\$ 1.77

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

	<u>As of</u> <u>December 31,</u> <u>2020</u> <u>(Unaudited)</u>	<u>As of</u> <u>December 31,</u> <u>2019</u>
Total Assets	\$242,455	\$211,861
Loans Receivable, net	105,500	106,347
Cash and amounts due from depository institutions	10,484	15,755
Investment Securities, available for sale, at fair value	114,280	78,926
Deposit Accounts	213,004	184,455
Equity	26,977	25,419
Book Value	\$31.91	\$29.84
Common Equity	11.13%	11.78%
Leverage Equity	10.72%	11.77%