

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

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, 2021, of \$1,069,000, or \$1.37 per share compared to the same period last year of \$770,000, or \$0.91 per share. Earnings increased primarily due to an increase in net interest income of 5.9% and a decrease in non-interest expense of 1.9% compared to the same period last year.

Total assets on September 30, 2021, were \$254.7 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 \$13.3 million and an increase in cash and amounts due of \$3.4 million, offset by a decrease in net loans receivable of \$4.7 million.

Total liabilities on September 30, 2021, and December 31, 2020, were \$231.0 million and \$213.5 million, respectively. Total deposits increased \$17.1 million, which represents the majority of the increase.

The Company's equity decreased \$3.3 million, primarily due to a decrease in accumulated other comprehensive income of \$765,000, 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 \$1.1 million. The change in accumulated comprehensive income was a result of a decrease in bond market prices for the quarter-ended September 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 nine-months ended September 30, 2021, and selected financial condition data as of September 30, 2021, and December 31, 2020.

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

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest Income	\$ 1,621	\$ 1,677	\$ 4,972	\$ 5,251
Interest Expense	286	434	924	1,429
Net Interest Income	1,335	1,243	4,048	3,822
Provision for loan losses	0	75	30	150
Net interest income after provision for loan losses	1,335	1,168	4,018	3,672
Noninterest income	197	210	593	600
Noninterest operating expense	1,079	1,081	3,166	3,227
Income before income taxes	453	297	1,445	1,045
Income taxes	110	78	376	275
Net Income	<u>\$ 343</u>	<u>\$ 219</u>	<u>\$ 1,069</u>	<u>\$ 770</u>
Earnings per Share:	\$ 0.46	\$ 0.26	\$ 1.37	\$ 0.91

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

	<u>As of</u> <u>September 30,</u> <u>2021</u> <u>(Unaudited)</u>	<u>As of</u> <u>December 31,</u> <u>2020</u>
Total Assets	\$254,673	\$240,468
Loans Receivable, net	100,932	105,612
Cash and amounts due from depository institutions	13,983	10,628
Investment Securities, available for sale, at fair value	127,555	114,280
Deposit Accounts	228,557	211,438
Equity	23,723	26,977
Book Value	\$31.80	\$31.91
Common Equity	9.31%	11.13%
Leverage Equity	9.23%	10.72%