

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

### 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, 2021 of \$1,541,000, or \$2.00 per share, compared to the same period last year of \$1,186,000, or \$1.40 per share. Earnings increased primarily due to a decrease in interest expense of 34.0% compared to the same period last year.

Total assets on December 31, 2021 were \$260.0 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 \$16.9 million and an increase in interest earning deposits of \$4.6 million, offset by a decrease in net loans receivable of \$2.9 million.

Total liabilities on December 31, 2021 and December 31, 2020 were \$236.6 million and \$213.5 million, respectively. Total deposits increased \$21.8 million, which represents the majority of the increase.

The Company's equity decreased \$3.5 million, primarily due to a decrease in accumulated other comprehensive income of \$1.5 million, 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 \$1.5 million. The change in accumulated comprehensive income was a result of a decrease in bond market prices for the quarter-ended December 31, 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 twelve-months ended December 31, 2021, and selected financial condition data as of December 31, 2021 and 2020.

UNITED TENNESSEE BANKSHARES, INC.  
 UNAUDITED CONDENSED STATEMENTS OF INCOME  
 FOR THE THREE- AND TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2021 AND 2020  
 (In Thousands)

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest Income	\$ 1,624	\$ 1,701	\$ 6,597	\$ 6,953
Interest Expense	271	381	1,195	1,811
Net Interest Income	1,353	1,320	5,402	5,142
Provision for loan losses	0	50	30	200
Net interest income after provision for loan losses	1,353	1,270	5,372	4,942
Noninterest income	205	201	798	802
Noninterest operating expense	1,162	1,119	4,329	4,346
Income before income taxes	396	352	1,841	1,398
Income taxes	(75)	(63)	300	212
Net Income	<u>\$ 471</u>	<u>\$ 415</u>	<u>\$ 1,541</u>	<u>\$ 1,186</u>
Earnings per Share:	\$ 0.63	\$ 0.49	\$ 2.00	\$ 1.40

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

	<u>As of</u> <u>December 31,</u> <u>2021</u>	<u>As of</u> <u>December 31,</u> <u>2020</u>
	<u>(Unaudited)</u>	
Total Assets	\$260,050	\$240,468
Loans Receivable, net	102,730	105,612
Cash and amounts due from depository institutions	10,095	10,628
Investment Securities, available for sale, at fair value	131,155	114,280
Deposit Accounts	233,271	211,438
Equity	23,472	26,977
Book Value	\$31.99	\$31.91
Common Equity	9.03%	11.13%
Leverage Equity	9.22%	10.72%