

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

United Tennessee Bankshares, Inc. (OTC Markets Group OTCQB: UNTN), the holding company for Newport Federal Bank, reported net income for the three months ended March 31, 2022, of \$380,000, or \$0.51 per share, compared to the same period last year of \$343,000, or \$0.41 per share. Earnings increased primarily due to an increase in net interest income of 3.9% compared to the same period last year due to the current rate environment.

Total assets on March 31, 2022, were \$263.6 million, while total assets on December 31, 2021, were \$258.3 million. The increase in total assets was primarily the result of an increase in cash and amounts due from and other assets of \$5.1 million.

Total liabilities on March 31, 2022, and December 31, 2021, were \$244.5 million and \$234.9 million, respectively. Total deposits increased \$9.4 million, which represents the majority of the increase.

The Company's equity decreased \$4.4 million, primarily due to a decrease in accumulated other comprehensive income of \$4.9 million; offset by stock transactions of \$74,000 and net income for the year of \$380,000. The change in accumulated comprehensive income was a result of a decrease in bond market prices for the quarter-ended March 31, 2022. The prices were affected by the discussion of and the increase in the Fed Funds Target Rate on March 16, 2022. The Bank generally holds bond investment securities until maturity but is required to mark-to-market its bonds on a quarterly basis.

Presented below are condensed statements of income for the three-months ended March 31, 2022, and selected financial condition data as of March 31, 2022, and December 31, 2021.

UNITED TENNESSEE BANKSHARES, INC.
 UNAUDITED CONDENSED STATEMENTS OF INCOME
 FOR THE QUARTERS ENDED MARCH 31, 2022 AND 2021
 (In Thousands)

	<u>Three Months Ended</u>	
	<u>March 31,</u>	
	<u>2022</u>	<u>2021</u>
Interest Income	\$1,653	\$1,674
Interest Expense	260	333
Net Interest Income	1,393	1,341
Provision for loan losses	0	30
Net interest income after provision for loan losses	1,393	1,311
Noninterest income	203	192
Noninterest operating expense	1,132	1,040
Income before income taxes	464	463
Income taxes	84	120
Net Income	<u>\$ 380</u>	<u>\$ 343</u>
Earnings per Share:	\$ 0.51	\$ 0.41

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

	<u>As of</u> <u>March 31,</u> <u>2022</u> <u>(Unaudited)</u>	<u>As of</u> <u>December 31, 2021</u>
Total Assets	\$260,050	\$258,330
Loans Receivable, net	102,730	102,886
Cash and amounts due from depository institutions	10,095	9,242
Investment Securities, available for sale, at fair value	131,155	131,155
Deposit Accounts	233,271	232,741
Equity	23,472	23,472
Tangible Book Value	\$32.57	\$31.57
Leverage Equity	9.27%	9.22%