

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 three months ended December 31, 2022, of \$665,000, or \$0.89 per share, compared to the same period last year of \$472,000, or \$0.63 per share. Earnings increased primarily due to an increase in net interest income of 32.3% compared to the same period last year, due to the current rate environment. Net income for the year ended December 31, 2022, was \$2,108,000, or \$2.81 per share, compared to net income for the year ended December 31, 2021, of \$1,541,000, or \$2.00 per share.

Total assets on December 31, 2022, were \$251.9 million, while total assets on December 31, 2021, were \$258.3 million. The decrease in total assets was primarily the result of decreases in cash and amounts due from depository institutions of \$5.9 million and in investment securities of \$11.4 million, partially offset by an increase in net loans receivable of \$6.0 million and an increase in deferred income taxes of \$3.6 million.

Total liabilities on December 31, 2022, and December 31, 2021, were \$236.9 million and \$234.9 million, respectively. Total deposits increased \$1.3 million, which represents the majority of the increase.

The Company's equity decreased \$8.5 million, primarily due to a decrease in accumulated other comprehensive income of \$10.3 million and cash dividends paid to shareholders of \$435,000; offset by stock transactions of \$119,000 and net income for the year of \$2.1 million. The change in accumulated other comprehensive income was a result of a decrease in bond market prices for the quarter-ended December 31, 2022. These decreases have been primarily driven by increases in investment market rates. The Bank 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 three and twelve-months ended December 31, 2022, and selected financial condition data as of December 31, 2022, and December 31, 2021.

UNITED TENNESSEE BANKSHARES, INC.  
UNAUDITED CONDENSED STATEMENTS OF INCOME  
FOR THE THREE- AND TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands)

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest Income	\$ 2,057	\$ 1,625	\$ 7,383	\$ 6,597
Interest Expense	266	271	1,043	1,195
Net Interest Income	1,791	1,354	6,340	5,402
Provision for loan losses	0	0	0	30
Net interest income after provision for loan losses	1,791	1,354	6,340	5,372
Noninterest income	239	205	934	798
Noninterest operating expense	1,222	1,162	4,662	4,329
Income before income taxes	808	397	2,612	1,841
Income taxes	143	(75)	504	300
Net Income	<u>\$ 665</u>	<u>\$ 472</u>	<u>\$ 2,108</u>	<u>\$ 1,541</u>
Earnings per Share:	\$ 0.89	\$ 0.63	\$ 2.81	\$ 2.00

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

	<u>As of</u> <u>December 31,</u> <u>2022</u> <u>(Unaudited)</u>	<u>As of</u> <u>December 31,</u> <u>2021</u>
Total Assets	\$251,852	\$258,330
Loans Receivable, net	108,853	102,886
Cash and amounts due from depository institutions	3,434	9,242
Investment Securities, available for sale, at fair value	119,762	131,155
Deposit Accounts	234,046	232,741
Total Equity	14,964	23,472
Tier 1 Capital	25,767	23,975
Tangible Book Value	\$19.95	\$31.46
Tangible Equity Ratio	5.94%	9.09%