

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

July 15, 2025

### United Tennessee Bankshares, Inc. Announces Second Quarter Earnings

United Tennessee Bankshares, Inc. (OTCQB: UNTN), the holding company for Newport Federal Bank, reported net income of \$552,000, or \$0.74 per share, for the three months ending June 30, 2025. This marks an increase from \$372,000, or \$0.49 per share, in the same period last year, primarily driven by higher net interest income.

As of June 30, 2025, total assets stood at \$275.2 million, up from \$270.8 million on December 31, 2024. The increase was primarily due to a \$3.7 million increase in cash and due amounts, along with a \$3.6 million increase in net loans receivable, offset by a decrease in investment securities of \$1.5 million.

Total liabilities on June 30, 2025, and December 31, 2024, were \$254.5 million and \$251.7 million, respectively. Total deposits increased \$3.3 million, which represents the majority of the increase.

Shareholders' equity increased by \$1.5 million, driven by year-to-day net income of \$964,000 and a \$1.0 million positive adjustment to accumulated other comprehensive income (AOCI). The AOCI adjustment was due to bond market fluctuations influenced by investment rate changes. While the company typically holds its bond investments to maturity, it is required to mark them to market quarterly. These fluctuations do not impact the company's regulatory capital. The bank also paid cash dividends of \$462,000 to shareholders of record in April.

In operational updates, the company announced on March 10, 2025, that it will permanently close its Downtown Newport Branch following damage from Hurricane Helene. The branch has since been sold and the company has recognized a capital gain which is reflected in the quarterly earnings.

Additionally, on January 24, 2025, the company initiated a stock buyback program to repurchase up to 2% of its outstanding shares. As of June 30, 2025, the bank has repurchased \$64,000 worth of shares.

Presented below are condensed statements of income for the three and six months ended June 30, 2025, and 2024, and selected financial condition data as of June 30, 2025, and December 31, 2024.

UNITED TENNESSEE BANKSHARES, INC.  
UNAUDITED CONDENSED STATEMENTS OF INCOME  
FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2025, AND 2024  
(In Thousands)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest Income	\$ 2,801	\$ 2,705	\$ 5,576	\$ 5,261
Interest Expense	1,163	1,266	2,411	2,431
Net Interest Income	1,638	1,439	3,165	2,830
Provision for Credit Losses	0	0	0	0
Net Interest Income after Provision for Credit Losses	1,638	1,439	3,165	2,830
Noninterest Income	409	230	700	442
Noninterest Operating Expense	1,358	1,221	2,671	2,479
Income before Income Taxes	689	448	1,194	793
Income Taxes	137	77	230	127
Net Income	<u>\$ 552</u>	<u>\$ 371</u>	<u>\$ 964</u>	<u>\$ 666</u>
Earnings per Share:	\$ 0.74	\$ 0.49	\$ 1.30	\$ 0.89

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

	<u>As of</u> <u>June 30,</u> <u>2025</u> <u>(Unaudited)</u>	<u>As of</u> <u>December 31, 2024</u>
Total Assets	\$275,161	\$270,778
Loans Receivable, Net	123,443	119,859
Cash and Amounts Due from Depository Institutions	13,444	9,742
Investment Securities, Available for Sale, at Fair Value	117,498	118,962
Deposit Accounts	250,992	247,734
Total Equity	20,644	19,097
Tier 1 Capital	28,207	27,708
Book Value	\$27.72	\$25.80
Equity Ratio	7.50%	7.05%