

United Tennessee Bankshares, Inc. Announces Third Quarter Earnings

United Tennessee Bankshares, Inc. (OTCQB: UNTN), the holding company for Newport Federal Bank (collectively, the "Company"), reported net income of \$478,000, or \$0.65 per share, for the three months ending September 30, 2025. This marks an increase from \$334,000, or \$0.44 per share, in the same period last year, primarily driven by higher net interest income.

As of September 30, 2025, total assets were \$274.3 million, up from \$270.8 million as of December 31, 2024. The increase was primarily due to a \$3.8 million increase in cash and amounts due, along with a \$3.5 million increase in net investment securities, partially offset by a decrease in other assets of \$1.2 million.

Total liabilities on September 30, 2025, and December 31, 2024, were \$251.8 million and \$251.7 million, respectively.

Shareholders' equity increased by \$3.4 million, driven by year-to-date net income of \$1.4 million and a \$2.7 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 year-to-date earnings.

Additionally, on January 24, 2025, the Company initiated a stock buyback program to repurchase up to 2% of its outstanding shares. As of September 30, 2025, the bank has repurchased and retired \$335,000 worth of shares.

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

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

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest Income	\$ 2,863	\$ 2,718	\$ 8,440	\$ 7,979
Interest Expense	1,163	1,305	3,574	3,736
Net Interest Income	1,700	1,413	4,866	4,243
Provision for Credit Losses	0	0	0	0
Net Interest Income after Provision for Credit Losses	1,700	1,413	4,866	4,243
Noninterest Income	214	236	914	678
Noninterest Operating Expense	1,328	1,255	4,000	3,734
Income before Income Taxes	586	394	1,780	1,187
Income Taxes	108	60	338	186
Net Income	<u>\$ 478</u>	<u>\$ 334</u>	<u>\$ 1,442</u>	<u>\$ 1,001</u>
Earnings per Share:	\$ 0.65	\$ 0.44	\$ 1.95	\$ 1.33

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

	<u>As of</u> <u>September 30,</u> <u>2025</u> <u>(Unaudited)</u>	<u>As of</u> <u>December 31,</u> <u>2024</u>
Total Assets	\$274,289	\$270,778
Loans Receivable, Net	121,956	119,859
Cash and Amounts Due from Depository Institutions	13,559	9,742
Investment Securities, Available for Sale, at Fair Value	122,453	118,962
Deposit Accounts	248,015	247,734
Total Equity	22,534	19,097
Tier 1 Capital	28,422	27,708
Book Value	\$30.95	\$25.80
Equity Ratio	8.22%	7.05%