

For Immediate Release  
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, 2024, of \$295,000, or \$0.39 per share, compared to the same period last year of \$624,000, or \$0.83 per share. Earnings decreased primarily due to an increase in interest expenses compared to the same period last year. Our cost of funds has experienced an increase over the past 12 months.

Total assets on March 31, 2024, were \$269.1 million, while total assets on December 31, 2023, were \$262.8 million. The increase in total assets was primarily the result of an increase in cash and amounts due of \$3.4 million, an increase of interest earning deposits of \$2.0 million, and an increase in other assets of \$918,000.

Total liabilities on March 31, 2024, and December 31, 2023, were \$250.7 million and \$244.1 million, respectively. Total deposits increased \$6.6 million, which represents the majority of the increase.

The Company's equity decreased \$285,000, primarily due to a decrease in other accumulated comprehensive income of \$581,000, offset by net income of \$295,000. The change in accumulated other comprehensive income is a result of an adjustment in bond market prices, which have been primarily driven by changes in investment market rates. The Company 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 months ended March 31, 2024, and selected financial condition data as of March 31, 2024, and December 31, 2023.

UNITED TENNESSEE BANKSHARES, INC.  
UNAUDITED CONDENSED STATEMENTS OF INCOME  
FOR THE QUARTER ENDED MARCH 31, 2024 AND 2023  
(In Thousands)

|   | Three Months Ended |               |
|---|--------------------|---------------|
|   | March 31,          |               |
|   | 2024               | 2023          |
| Interest Income                                     | \$2,556            | \$2,157       |
| Interest Expense                                    | <u>1,165</u>       | <u>410</u>    |
| Net Interest Income                                 | 1,391              | 1,747         |
| Provision for loan losses                           | <u>0</u>           | <u>0</u>      |
| Net interest income after provision for loan losses | 1,391              | 1,747         |
| Noninterest income                                  | 212                | 264           |
| Noninterest operating expense                       | <u>1,258</u>       | <u>1,217</u>  |
| Income before income taxes                          | 345                | 794           |
| Income taxes  | <u>50</u>          | <u>170</u>    |
| Net Income  | <u>\$ 295</u>      | <u>\$ 624</u> |
| Earnings per Share:                                 | \$ 0.39            | \$ 0.83       |

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

|  | <u>As of</u><br><u>March 31,</u><br><u>2024</u><br><u>(Unaudited)</u> | <u>As of</u><br><u>December 31, 2023</u> |
|--|---|--|
| Total Assets   | \$269,148   | \$262,825                                |
| Loans Receivable, net                                    | 115,678   | 115,564                                  |
| Cash and amounts due from depository institutions        | 16,178  | 12,786                                   |
| Investment Securities, available for sale, at fair value | 112,084   | 112,332                                  |
| Deposit Accounts   | 247,292   | 241,034                                  |
| Total Equity   | 18,431  | 18,716                                   |
| Tier 1 Capital   | 27,426  | 27,130                                   |
| Book Value   | \$24.50   | \$24.90                                  |
| Equity Ratio   | 6.85%   | 7.12%                                    |