

For Immediate Release
United Tennessee Bankshares, Inc.
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April 11, 2025

United Tennessee Bankshares, Inc. Announces First Quarter Earnings

United Tennessee Bankshares, Inc. (OTCQB: UNTN), the holding company for Newport Federal Bank, reported net income of \$412,000, or \$0.56 per share, for the three months ending March 31, 2025. This marks an increase from \$295,000, or \$0.39 per share, in the same period last year, primarily driven by higher net interest income.

As of March 31, 2025, total assets stood at \$275.4 million, up from \$270.8 million on December 31, 2024. The increase was primarily due to a \$4.2 million increase in cash and due amounts, along with a \$2.0 million increase in net loans receivable.

Total liabilities on March 31, 2025, and December 31, 2024, were \$254.9 million and \$251.7 million, respectively. Total deposits increased \$2.9 million, which represents the majority of the increase.

Shareholders' equity increased by \$1.5 million, driven by net income of \$412,000 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.

In operational updates, the company announced on March 10, 2025, that it will permanently close its Downtown Branch following damage from Hurricane Helene. The branch has remained closed since the storm.

Additionally, on January 24, 2025, the company initiated a stock buyback program to repurchase up to 2% of its outstanding shares. As of March 31, 2025, the bank has repurchased \$32,000 worth of shares.

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

UNITED TENNESSEE BANKSHARES, INC.
UNAUDITED CONDENSED STATEMENTS OF INCOME
FOR THE QUARTER ENDED MARCH 31, 2025 AND 2024
(In Thousands)

	<u>Three Months Ended</u>	
	<u>March 31,</u>	
	<u>2025</u>	<u>2024</u>
Interest Income	\$2,775	\$2,556
Interest Expense	1,247	1,165
Net Interest Income	1,528	1,391
Provision for Credit Losses	0	0
Net Interest Income after Provision for Credit Losses	1,528	1,391
Noninterest Income	290	212
Noninterest Operating Expense	1,314	1,258
Income before Income Taxes	504	345
Income Taxes	92	50
Net Income	<u>\$ 412</u>	<u>\$ 295</u>
Earnings per Share:	\$ 0.56	\$ 0.39

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

	<u>As of March 31, 2025</u>	<u>As of December 31, 2024</u>
	(Unaudited)	
Total Assets	\$275,416	\$270,778
Loans Receivable, Net	121,872	119,859
Cash and Amounts Due from Depository Institutions	13,934	9,742
Investment Securities, Available for Sale, at Fair Value	118,869	118,962
Deposit Accounts	250,663	247,734
Total Equity	20,550	19,097
Tier 1 Capital	28,149	27,708
Book Value	\$27.59	\$25.80
Equity Ratio	7.46%	7.05%