For Immediate Release
United Tennessee Bankshares, Inc.
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April 13, 2026

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 $540,000, or $0.74 per share, for the three months ending March 31, 2026. This marks an increase from $412,000, or $0.56 per share, in the same period last year, primarily driven by higher net interest income.

As of March 31, 2026, total assets stood at $282.2 million, up from $274.8 million on December 31, 2025. The increase was primarily due to a $6.8 million increase in cash and due amounts, along with a $2.2 million increase in net loans receivable.

Total liabilities on March 31, 2026, and December 31, 2025, were $258.8 million and $251.3 million, respectively. Total deposits increased $6.2 million, which represents the majority of the increase.

Shareholders' equity decreased by $147,000, driven by net income of $540,000, offset by a $660,000 negative 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.

Additionally, on January 22, 2026, the company announced a stock buyback program to repurchase up to 2% of its outstanding shares. As of March 31, 2026, the bank has repurchased $150,000 worth of shares.

Presented below are condensed statements of income for the three months ended March 31, 2026, and 2025, and selected financial condition data as of March 31, 2026, and December 31, 2025.

UNITED TENNESSEE BANKSHARES, INC.
UNAUDITED CONDENSED STATEMENTS OF INCOME
FOR THE QUARTER ENDED MARCH 31, 2026 AND 2025
(In Thousands)

	Three Months Ended March 31,	
	2026	2025
Interest Income	$2,866	$2,775
Interest Expense	1,087	1,247
Net Interest Income	1,779	1,528
Provision for Credit Losses	0	0
Net Interest Income after Provision for Credit Losses	1,779	1,528
Noninterest Income	210	290
Noninterest Operating Expense	1,321	1,314
Income before Income Taxes	668	504
Income Taxes	128	92
Net Income	$ 540	$ 412
Net Income Earnings per Share:	$ 0.74	$ 0.56

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

	As of March 31, 2026 (Unaudited)	As of December 31, 2025
Total Assets	$282,155	$274,804
Loans Receivable, Net	128,147	125,898
Cash and Amounts Due from Depository Institutions	15,068	9,283
Investment Securities, Available for Sale, at Fair Value	124,448	125,336
Deposit Accounts	253,698	247,492
Total Equity	23,363	23,510
Tier 1 Capital	29,431	28,918
Book Value	$32.12	$32.34
Equity Ratio	8.28%	8.56%