FOR IMMEDIATE RELEASE

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United Tennessee Bankshares, Inc.
Newport, Tennessee
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United Tennessee Bankshares, Inc. Announces Second Quarter 2026 Earnings

United Tennessee Bankshares, Inc. (OTCQB: UNTN), the holding company for Newport Federal Bank, today announced net income of $597,000, or $0.83 per share, for the quarter ended June 30, 2026, compared with $552,000, or $0.74 per share, for the same period in 2025. The increase was primarily driven by higher net interest income resulting from continued loan growth and disciplined balance sheet management.

For the first six months of 2026, net income totaled $1.137 million, or $1.57 per share, compared with $964,000, or $1.30 per share, during the same period of 2025.

“We are pleased with our continued financial performance during the first half of 2026,” said Chris Triplett, President and Chief Executive Officer. “Strong loan growth, disciplined expense management, and a stable deposit base contributed to another solid quarter for the Company. We remain committed to serving our communities while delivering long-term value to our shareholders.”

As of June 30, 2026, total assets were $277.7 million, compared with $274.8 million at December 31, 2025. Growth in total assets was primarily driven by a $4.4 million increase in net loans receivable, reflecting continued demand for commercial and consumer lending.

Total liabilities increased to $254.1 million from $251.3 million at year-end 2025, primarily due to a $3.0 million increase in customer deposits.

Shareholders' equity totaled $23.6 million at June 30, 2026. Year-to-date earnings were partially offset by $458,000 in cash dividends paid to shareholders, $195,000 in shares held in the stock repurchase account, and a $363,000 decrease in accumulated other comprehensive income (AOCI).

The decline in AOCI reflects changes in the market value of the Company's available-for-sale investment securities resulting from interest rate movements. Because the Company generally holds these securities to maturity, these unrealized market value fluctuations do not affect regulatory capital or cash flows.

On January 22, 2026, the Company announced a stock repurchase program authorizing the repurchase of up to 2% of its outstanding shares. As of June 30, 2026, the Company had repurchased approximately $345,000 of its common stock.

Presented below are selected financial condition data as of June 30, 2026 and December 31, 2025.

Financial Highlights

Metric	June 30, 2026	Dec. 31, 2025
Total Assets	$277.7 million	$274.8 million
Net Loans	$130.3 million	$125.9 million
Deposits	$250.5 million	$247.5 million
Shareholders' Equity	$23.6 million	$23.5 million
Book Value Per Share	$32.45	$32.34

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United Tennessee Bankshares, Inc. is the holding company for Newport Federal Bank, a community-focused financial institution serving East Tennessee through a full range of consumer and commercial banking services.