

### United Tennessee Bankshares, Inc. Announces Third 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 September 30, 2024, of \$334,000, or \$0.44 per share, compared to the same period last year of \$416,000, or \$0.55 per share. Earnings decreased primarily due to an increase in interest expense compared to the same period last year. Our cost of funds has experienced an increase over the past 12 months.

Total assets on September 30, 2024, were \$271.5 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 interest earning deposits of \$2.5 million, an increase in net loans receivable of \$2.9 million, and an increase in investment securities of \$5.0 million.

Total liabilities on September 30, 2024, and December 31, 2023, were \$250.7 million and \$244.1 million, respectively. Total deposits increased \$6.1 million, which represents the majority of the increase.

The Company's equity increased \$2.0 million, primarily due to an increase in other accumulated comprehensive income of \$1.7 million and net income of \$1.0 million. The company paid cash dividends of \$459,000 to shareholders in April. The company also purchased and retired \$214,000 worth of common stock. 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.

Due to the flooding caused by Hurricane Helene, downtown Newport has experienced considerable damage. Unfortunately, our Downtown Branch has been impacted and is currently closed until repairs can be made. I want to extend my deepest thanks to all the first responders and the entire community for coming together during this challenging time. Although much work remains, the strength and resilience of our community continue to shine through. To those who have kept us in your thoughts and prayers, we deeply appreciate your support and ask that you continue to do so, not just for us but also for the other communities affected by Hurricanes Helene and Milton.

Presented below are condensed statements of income for the three and nine months ended September 30, 2024, and selected financial condition data as of September 30, 2024, and December 31, 2023.

UNITED TENNESSEE BANKSHARES, INC.  
 UNAUDITED CONDENSED STATEMENTS OF INCOME  
 FOR THE THREE- AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024, AND 2023  
 (In Thousands)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest Income	\$ 2,718	\$ 2,387	\$ 7,979	\$ 6,794
Interest Expense	<u>1,305</u>	<u>875</u>	<u>3,736</u>	<u>1,939</u>
Net Interest Income	1,413	1,512	4,243	4,855
Provision for Credit Losses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Interest Income after Provision for Credit Losses	1,413	1,512	4,243	4,855
Noninterest Income	236	244	678	756
Noninterest Operating Expense	<u>1,255</u>	<u>1,249</u>	<u>3,734</u>	<u>3,689</u>
Income before Income Taxes	394	507	1,187	1,922
Income Taxes	<u>60</u>	<u>91</u>	<u>186</u>	<u>389</u>
Net Income	<u>\$ 334</u>	<u>\$ 416</u>	<u>\$ 1,001</u>	<u>\$ 1,533</u>
Earnings per Share:	\$ 0.44	\$ 0.55	\$ 1.33	\$ 2.03

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

	<u>As of</u> <u>September 30,</u> <u>2024</u> <u>(Unaudited)</u>	<u>As of</u> <u>December 31,</u> <u>2023</u>
Total Assets	\$271,520	\$262,825
Loans Receivable, Net	118,454	115,564
Cash and Amounts Due from Depository Institutions	10,569	12,786
Investment Securities, Available for Sale, at Fair Value	117,343	112,332
Deposit Accounts	247,155	241,034
Total Equity	20,758	18,716
Tier 1 Capital	27,471	27,130
Book Value	\$28.04	\$24.90
Equity Ratio	7.65%	7.12%