

Contact: Chris Triplett, President and CEOPhone: (423) 623-6088**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 first quarter 2019 of \$380,000. Income for the first quarter of 2019 decreased \$51,000, or 11.9% compared to the same period last year of \$432,000. The decrease in net income is primarily the result of a decrease in net interest income of \$14,000 and an increase in non-interest expense of \$52,000, partially offset by a reduction in income tax expense of \$15,000.

Total assets at March 31, 2019 were \$211.9 million while total assets at December 31, 2018 were \$206.0 million. The increase in total assets was primarily the result of an increase in investment securities and interest earning deposits of \$4.8 million.

Total liabilities at March 31, 2019 and December 31, 2018 were \$188.1 million and \$183.0 million, respectively. Total deposits increased \$4.9 million, which represents the majority of the increase.

The Company's equity increased \$878,000, primarily due to an increase in accumulated other comprehensive income of \$452,000, net income for the year of \$380,000 and stock transactions of \$46,000. The change in accumulated comprehensive income was a result of an increase in bond market prices during the quarter-ended March 31, 2019. The Bank generally holds bond investment securities until maturity but is required to mark-to-market its bonds on a quarterly basis.

Presented below are condensed statements of income for the three months ended March 31, 2019 and 2018 and selected financial condition data as of March 31, 2019 and December 31, 2018.

UNITED TENNESSEE BANKSHARES, INC.
UNAUDITED CONDENSED STATEMENTS OF INCOME
FOR THE QUARTER ENDED MARCH 31, 2019 AND 2018
(In Thousands)

	<u>Three Months Ended</u>	
	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
Interest Income	\$1,888	\$1,740
Interest Expense	440	278
Net Interest Income	1,448	1,462
Provision for loan losses	0	0
Net interest income after provision for loan losses	1,448	1,462
Noninterest income	184	184
Noninterest operating expense	1,116	1,063
Income before income taxes	516	583
Income taxes	136	151
Net Income	<u>\$ 380</u>	<u>\$ 432</u>
Earnings per Share:	\$ 0.45	\$ 0.51

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

	<u>As of</u> <u>March 31,</u> <u>2019</u> <u>(Unaudited)</u>	<u>As of</u> <u>December 31, 2018</u>
Total Assets	\$211,909	\$205,951
Loans Receivable, net	103,171	103,220
Cash and amounts due from depository institutions	8,884	8,684
Investment Securities, available for sale, at fair value	80,879	78,442
Deposit Accounts	185,945	181,011
Equity	23,847	22,969