

PUBLIC DISCLOSURE

February 3, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

United Bank and Trust Company
06121374

St. Petersburg, Florida

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia 30303

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to the institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of United Bank and Trust Company prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of February 3, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The bank has a satisfactory record of helping to meet the credit needs of its assessment area. The loan-to-deposit ratio meets standards for satisfactory performance. A majority of the bank's loans are within its assessment area. The bank's overall performance with respect to lending activity to borrowers of different incomes, to businesses of different sizes, and throughout its assessment area is satisfactory. No complaints regarding the bank's CRA performance have been received since the previous examination, and no evidence of discrimination or other illegal credit practices was noted during the examination.

GENERAL INFORMATION (CONTINUED)

The following table indicates the performance level of United Bank and Trust Company with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	UNITED BANK AND TRUST COMPANY		
	PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan-to-deposit ratio		X	
Lending in assessment area		X	
Lending to borrowers of different incomes and to businesses of different sizes		X	
Geographic distribution of loans		X	
Response to complaints	No complaints have been received since the previous examination.		

DESCRIPTION OF INSTITUTION

United Bank and Trust Company is a subsidiary of United Financial Holdings, Inc., St. Petersburg, Florida. United Bank and Trust Company operates four offices with drive-in and ATM facilities at various branches. United Bank and Trust Company had \$121.6 million in total assets on December 31, 1996. No legal or financial impediments that would hinder the bank's ability to meet the credit needs of the community were identified.

United Bank and Trust Company offers a variety of credit products to meet the community's credit needs. The types of credit products offered by the bank, as listed in the bank's public file, include consumer loans, real estate loans, and commercial loans.

The composition of the loan portfolio according to the December 31, 1996 Consolidated Reports of Condition and Income is as follows:

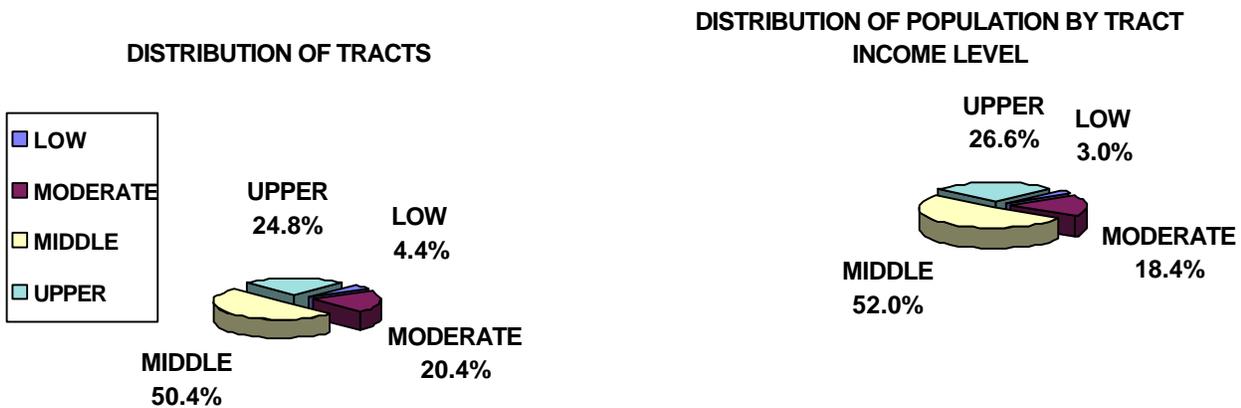
LOAN TYPE	PERCENTAGE
Construction and development	2.0%
Secured by one- to four-family dwellings	8.3%
Other real estate:	
Multifamily	3.6%
Nonfarm nonresidential	47.1%
Commercial and industrial	31.2%
Loans to individuals	4.7%
All other	3.1%
Total	100.0%

As illustrated by the table above, a large portion of the loan portfolio is made up of loans secured by nonfarm nonresidential properties followed by commercial and industrial loans. United Bank and Trust Company's major products in the past have been commercial and consumer loans. Management stated that small business loans are the bank's niche. The Miami District Office of the Small Business Administration (SBA) reported that United Bank has been the leading bank in dollar volume for SBA loans in the district for the past two years.

DESCRIPTION OF ASSESSMENT AREA: SOUTH PINELLAS COUNTY

United Bank and Trust Company's assessment area is South Pinellas County, which is part of the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA #8280). The assessment area has been expanded since the last examination. Currently, the assessment area consists of 113 census tracts, which represent 27.4 percent of the total tracts (413) in the MSA. According to the 1990 Census, the total population of the assessment area was approximately 482,000, which equaled 23.3 percent of the total population of the MSA. The population of the MSA was approximately 2.1 million. The racial composition of the bank's assessment area is 85.7 percent nonminority and 14.3 percent minority.

The bank's assessment area has 5 low-income census tracts, 23 moderate-income tracts, 57 middle-income tracts, and 28 upper-income tracts. The charts below illustrate the distribution of census tracts by tract income level and the distribution of the population by the income level of the tract in which they live.



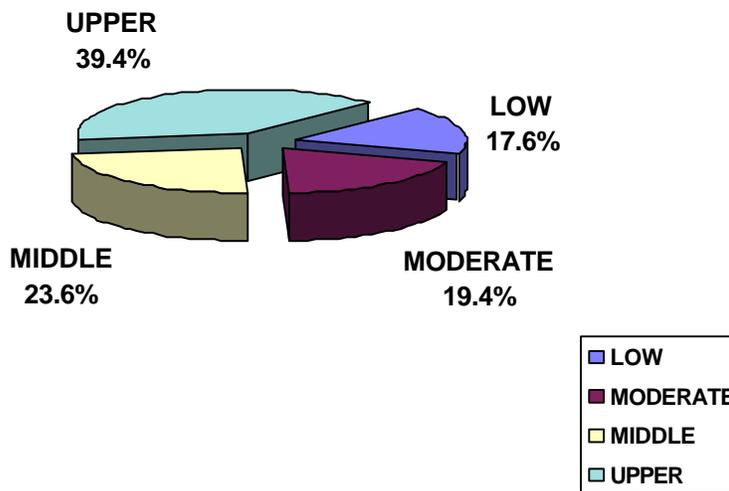
The 28 low- and moderate-income (LMI) census tracts represent 25 percent of total tracts, and 21 percent of the total population lives in these tracts.

The total number of families in the assessment area equals 132,102. 61.3 percent of total households in the assessment area are families. As of the 1990 Census, the median family income for the assessment area was \$31,583, which was slightly less than the state median family income of \$32,212, but slightly more

DESCRIPTION OF ASSESSMENT AREA: SOUTH PINELLAS COUNTY (CONTINUED)

than the MSA median family income of \$31,244. 7.2 percent of families in the assessment area live below the poverty level. This percentage is less than the percentage of families living below the poverty level in the MSA and the state. The following chart illustrates the distribution of families by income.

FAMILIES BY INCOME LEVEL IN THE ASSESSMENT AREA



The percentage of LMI families in the assessment area was only slightly lower than the percentage of LMI families in the MSA. LMI families in the assessment area totaled 37.0 percent compared with 37.6 percent for the MSA.

The labor force in the MSA increased to approximately 1.1 million in 1995 from 983,011 in 1990, representing an increase of almost 11 percent. The following table shows the largest employers in the area based on information from the St. Petersburg Chamber of Commerce.

DESCRIPTION OF ASSESSMENT AREA: SOUTH PINELLAS COUNTY (CONTINUED)

EMPLOYER	NUMBER OF EMPLOYEES
Pinellas County School Board	15,497
Home Shopping Network	5,000
Jack Eckert Corp.	3,375
Morton Plan Hospital	3,215
Pinellas County Government	3,051
City of St. Petersburg	2,743
Bayfront Medical Center	2,300

The five major types of industries in Pinellas County are as follows:

TYPE OF INDUSTRY	NUMBER OF EMPLOYEES	NUMBER OF ESTABLISHMENTS
Services and Other	127,881	10,186
Retail Trade	80,739	5,810
Manufacturing	45,053	1,340
Finance, Insurance, and Real Estate	24,173	2,736
Wholesale Trade	15,862	1,702

The 1993 U.S. Census employment data for county business patterns shows a total of 24,569 businesses in the bank's assessment area. 23,452 (95 percent) of the businesses have fewer than 50 employees. 42 percent of the businesses with fewer than 50 employees are in the services and other industry type.

According to the 1990 Census data, 57.4 percent of the 258,798 housing units in the bank's assessment area were owner-occupied, 25.7 percent were renter-occupied, and 16.9 percent were vacant. The assessment area has mostly one- to four-family units, followed by multifamily units and mobile homes. The median age of the housing stock in the assessment area is 33 years. In addition, the assessment area has a higher percentage of homes built before 1950 than the MSA or the state, which may indicate a greater need for housing rehabilitation or home improvement loans in the assessment area than in the entire MSA or the state.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio Analysis

The bank's loan-to-deposit ratio meets standards for satisfactory performance. Based on information from the bank's Consolidated Reports of Condition and Income, the bank's average loan-to-deposit ratio for the five quarters ended September 30, 1996, is 77.5 percent. Of the 22 other financial institutions in Pinellas County, four are comparable in size. The average loan-to-deposit ratios for the four competitors ranged from 33.7 percent to 69.1 percent. The bank's average loan-to-deposit ratio falls above the range of its competitors.

Lending in Assessment Area

During the examination, 41 consumer loans and 51 small business loans were analyzed to determine the percentage of loans the bank originated within its assessment area. The analysis revealed that 30 (73 percent) of the consumer loans and 44 (86 percent) of the small business loans were extended in the bank's assessment area. The relatively small amount of business lending that occurs outside the assessment area results primarily from SBA applications that come from a five-county area. The consumer loans made outside the assessment area were to consumers who work in Pinellas County but live elsewhere. The extent of the bank's lending in its assessment area is considered reasonable and meets standards for satisfactory performance.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Of the 30 consumer loans originated in the bank's assessment area, 26 had income information. The remaining four were secured by certificates of deposit (CDs), and income was not noted. Of the 44 business loans within the bank's assessment area, only 34 had business revenues reported.

The bank's lending to borrowers of various income levels based on consumer loans in the assessment area is detailed below.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes (Continued)

INCOME LEVEL	PERCENTAGE OF TOTAL FAMILIES IN ASSESSMENT AREA	CONSUMER LOANS	
		NUMBER	PERCENT
Low	17.6%	0	0%
Moderate	19.4%	3	10%
Middle	23.6%	16	53%
Upper	39.4%	11	37%
Total	100%	30	100%

The consumer loan analysis shows that the bank has reasonable dispersion among middle- and upper-income individuals. The bank made no consumer loans to low-income individuals, and moderate-income borrowers received a small percentage of the loans. The low volume of lending to LMI individuals can be partially attributed to the fact that 7.2 percent of families live below the poverty level; however, management is generally unfamiliar with the demographics of the area and does not have an explanation for the bank's inability to penetrate the market for low-income borrowers.

The following analysis of commercial lending reveals that the bank extends loans to businesses of different sizes, and the majority of the loans were extended to businesses with revenues less than \$250,000. Lending to small businesses is consistent with the bank's business strategy and its leadership role in originating SBA loans.

BUSINESS REVENUES	NUMBER OF LOANS ORIGINATED	PERCENTAGE OF LOANS ORIGINATED
Less than \$250,000	18	53%
\$250,000 - \$499,999	9	26%
\$500,000 - \$749,000	5	15%
\$750,000 and Over	2	6%
Total	34	100%

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes (Continued)

Overall, the bank meets standards for satisfactory performance in this category despite its limited success with regard to lending to low-income borrowers.

Geographic Distribution of Loans

The geographic distribution of loans by the income level of the census tracts in the bank's assessment area was analyzed using the samples of 30 consumer loans and 44 small business loans. The geographic distribution meets standards for satisfactory performance. The following table summarizes the distribution of the loans sampled.

CENSUS TRACT TYPE	PERCENTAGE OF ASSESSMENT AREA POPULATION	PERCENTAGE OF TOTAL CONSUMER LOANS IN ASSESSMENT AREA	PERCENTAGE OF TOTAL SMALL BUSINESS LOANS IN ASSESSMENT AREA
Low-income	3.0%	0%	2%
Moderate-income	18.4%	10%	20%
Middle-income	52.0%	53%	36%
Upper-income	26.6%	37%	42%

The analysis revealed a somewhat low percentage of consumer loans in the LMI census tracts. The table shows that small business loans generally are distributed more consistently with the community's census tract characteristics.

The bank performs a geo-analysis of all lending by census tracts, focusing on originations and denials in LMI tracts. According to the bank's geo-analysis for 1996, of the 407 loans originated, 3 (.7 percent) were extended in low-income tracts and 111 (27 percent) were made in moderate-income tracts. The bank originated a total of 114 loans (28 percent) in LMI census tracts. This percentage compares favorably to the percentage of the population living in LMI census tracts. The bank did not perform this type of an analysis before 1996; however, a review of its Home Mortgage Disclosure Act (HMDA) data revealed that lending in low-income tracts has not been strong for the past three years.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

Complaints

No complaints relating to CRA performance have been filed against the bank since the previous examination.

Compliance with Antidiscrimination Laws

The bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations. No evidence of discrimination or the use of illegal credit practices was noted during the review of bank policies and procedures. No practices have the intent or the effect of discouraging applicants for credit.

TO THE INSTITUTION EXAMINED:

THIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION WAS PREPARED BY THE FEDERAL RESERVE BANK OF ATLANTA. THE FOLLOWING ACTIONS MUST BE TAKEN TO FULFILL THE CRA'S REQUIREMENTS.

- C AT A MINIMUM, PLACE THE EVALUATION IN YOUR CRA PUBLIC FILE LOCATED AT YOUR HEAD OFFICE (AND A DESIGNATED OFFICE IN EACH OF YOUR LOCAL COMMUNITIES) NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THE EVALUATION.
- C PROVIDE A COPY OF THE EVALUATION TO THE PUBLIC UPON REQUEST (YOU ARE PERMITTED TO CHARGE A FEE NOT TO EXCEED THE COST OF REPRODUCTION AND MAILING IF APPLICABLE) NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THIS LETTER.

FEDERAL RESERVE BANK OF ATLANTA

ASSISTANT VICE PRESIDENT

(Date)

CYNTHIA C. GOODWIN

(Title)

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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TO THE FEDERAL RESERVE BANK OF ATLANTA

A COPY OF THE COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION PREPARED AS OF THE CLOSE OF BUSINESS FEBRUARY 3, 1997, BY AN EXAMINER FOR THE FEDERAL RESERVE BANK OF ATLANTA HAS BEEN RECEIVED AND WILL BE MADE AVAILABLE TO THE PUBLIC IN THE MANNER STATED IN THE LETTER WHICH ACCOMPANIED THE EVALUATION.

(Signature of Authorized Officer)

(Title)

UNITED BANK AND TRUST COMPANY

(Name of Bank)

ST. PETERSBURG, FLORIDA

(Location)

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Board of Directors
United Bank and Trust Company
Post Office Box 14517
St. Petersburg, Florida 33733

Dear Board Members:

Enclosed is the bank's Community Reinvestment Act Performance Evaluation prepared by Federal Reserve Examiner Duwane M. Morgan using the guidelines established by the Federal Financial Institutions Examination Council. This evaluation was prepared in accordance with the Community Reinvestment Act (CRA), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and must be made available to the public. The following actions must be taken to fulfill the CRA's requirements.

- C At a minimum, place the evaluation in your CRA public file located at your head office (and a designated office in each of your local communities) no later than 30 business days after receiving this letter.
- C Provide a copy of the evaluation to the public upon request (you are permitted to charge a fee not to exceed the cost of reproduction and mailing if applicable) no later than 30 business days after receiving this letter.

Please acknowledge receipt of this evaluation by signing and returning the attached blue form. The format and content of the evaluation should not be altered or abridged in any manner. You may wish to comment on this information detailing actions the bank has taken since the examination to meet its obligations under the CRA. Any written comments concerning the evaluation placed in the public file should also be forwarded to this office. If you believe any of the information included in the public evaluation is proprietary, please contact this Reserve Bank so that the appropriate action can be taken.

Our Community Affairs staff is available to assist you in determining and responding to community credit needs. Please feel free to contact Mr. Courtney Dufries at (404) 589-7226. If you have any questions concerning this report or any other compliance matter, contact Ms. Gale Williams at (404) 589-7223.

Very truly yours,

Cynthia C. Goodwin

Enclosures

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Ms. Patricia Hartje
Regional Compliance Manager
Office of the Comptroller of the Currency
Marquis One Tower, Suite 600
245 Peachtree Center Avenue, N.E.
Atlanta, Georgia 30303

Dear Ms. Hartje:

Enclosed for your information is a copy of the Community Reinvestment Act Performance Evaluation for United Bank and Trust Company, St. Petersburg, Florida, as of February 3, 1997.

A copy of our letter of transmittal to the bank's board of directors is also enclosed.

Very truly yours,

Cynthia C. Goodwin

Enclosures

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Mr. Joel Palmer
Assistant Director II
Regional Operations - Compliance
Office of Thrift Supervision
1475 Peachtree Street, N.E.
Atlanta, Georgia 30309

Dear Mr. Palmer:

Enclosed for your information is a copy of the Community Reinvestment Act Performance Evaluation for United Bank and Trust Company, St. Petersburg, Florida, as of February 3, 1997.

A copy of our letter of transmittal to the bank's board of directors is also enclosed.

Very truly yours,

Cynthia C. Goodwin

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FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Mr. Jimmy Loyless
Regional Director
Federal Deposit Insurance Corporation
One Atlantic Center, Suite 1600
1201 West Peachtree Street, N.E.
Atlanta, Georgia 30309-3449

Dear Mr. Loyless:

Enclosed for your information is a copy of the Community Reinvestment Act Performance Evaluation for United Bank and Trust Company, St. Petersburg, Florida, as of February 3, 1997.

A copy of our letter of transmittal to the bank's board of directors is also enclosed.

Very truly yours,

Cynthia C. Goodwin

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PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Name of Bank: UNITED BANK AND TRUST COMPANY

City and State: ST. PETERSBURG, FLORIDA

Date of Examination: FEBRUARY 3, 1997

FEDERAL RESERVE BANK OF ATLANTA