

PUBLIC DISCLOSURE

December 10, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

United Bank and Trust Company
St. Petersburg, Florida

RSSD ID Number: 900137

**FEDERAL RESERVE BANK OF ATLANTA
1000 PEACHTREE STREET, N.E.
ATLANTA, GEORGIA 30309-4470**

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.

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DEFINITIONS

Income Definitions

Throughout this evaluation, the following definitions are used for the various income levels. These levels are defined in the CRA.

Low-Income - An individual income, or median family income for geographies, that is less than 50 percent of the area median income.

Moderate-Income - An individual income, or median family income for geographies, that is at least 50 percent but less than 80 percent of the area median income.

Middle-Income - An individual income, or median family income for geographies, that is at least 80 percent but less than 120 percent of the area median income.

Upper-Income - An individual income, or median family income for geographies, that is 120 percent or more of the area median income.

Other Definitions

ATM - Automated Teller Machine

HUD - Department of Housing and Urban Development

MSA - Metropolitan Statistical Area

SBA - Small Business Administration

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 December 10, 2001. 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's average loan-to-deposit ratio for the fifteen quarters ending September 30, 2001, meets the standards for satisfactory performance given the institution's size, financial condition, and competition within its assessment area. The bank is primarily a commercial lender; therefore small business loans were given more weight in analyzing the bank's CRA performance. A **MAJORITY** of the bank's loans were extended to businesses and individuals inside its assessment area. Lending to businesses of different revenue size is **REASONABLE** and lending to borrowers of different income levels is **POOR**. The geographic distribution of small business loans is **EXCELLENT** and reflects the concentrations of small businesses in the various types of census tracts. The geographic distribution of residential real estate loans is **EXCELLENT** considering the percentages of families residing in the various types of census tracts. The bank has received no CRA-related complaints since the previous examination. In addition, the bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations.

DESCRIPTION OF INSTITUTION

United Bank and Trust Company's banking facilities have expanded in St. Petersburg, Florida, since the preceding Community Reinvestment Act (CRA) examination dated February 3, 1997. At the previous examination, the bank operated one main office with a drive-through window and ATM. The bank also had four branches. In November 2000, the bank opened another branch with a drive-through window and ATM. The bank received a satisfactory rating at its previous CRA examination. From March 1998, to September 2001, total assets grew from \$153.4 million to \$273.9 million. As of September 2001, net loans totaled \$206 million and total deposits represented \$239.4 million.

United Bank and Trust Company is a full service community bank that offers a wide variety of credit products to meet community credit needs. These credit products include consumer, residential mortgage, home equity, business, and commercial real estate loans. However, the bank's primary focus is commercial lending. The U.S. Small Business Administration (SBA) designated the bank as its top lender (in SBA loan volume in the small bank category) for the fiscal years of 1999 and 2000 in the state of Florida.

The composition of the loan portfolio according to the September 30, 2001 Consolidated Reports of Condition and Income (Call Report) is as follows:

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	9/30/2001		12/31/1999		12/31/1998	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	\$13,333	6.4%	\$4,366	2.8%	\$3,397	2.9%
Secured by One- to Four- Family Dwellings	\$9,750	4.7%	\$7,930	5.1%	\$7,075	6.0%
Other Real Estate: Farmland	\$324	0.2%	\$219	0.1%	\$0	0.0%
Multifamily	\$13,717	6.6%	\$13,603	8.7%	\$6,673	5.7%
Nonfarm Nonresidential	\$92,477	44.3%	\$82,622	53.1%	\$60,693	51.7%
Commercial and Industrial	\$73,254	35.1%	\$40,851	26.3%	\$35,078	29.9%
Loans to Individuals	\$6,077	2.9%	\$5,880	3.8%	\$4,438	3.8%
Agricultural Loans	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total	\$208,932	100.0%	\$155,471	100.0%	\$117,354	100.0%

* This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.

As indicated by the table above, the bank's loan portfolio as of September 30, 2001, consisted primarily of nonfarm nonresidential loans followed by commercial and industrial loans. This is consistent with the bank's strategy to focus on commercial lending. No known legal impediments exist that would restrain the bank from meeting the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA: Pinellas County, Florida

Overview

The bank's assessment area consists of Pinellas County, which is part of the Tampa-St. Petersburg-Clearwater MSA. This assessment area includes 191 census tracts: 6 low-income census tracts, 32 moderate-income census tracts, 96 middle-income census tracts, and 55 upper-income census tracts. Two tracts are not classified and are defined as not applicable. United Bank and Trust Company has not arbitrarily excluded any low- or moderate-income census tracts from its assessment area.

The main office and one branch are located in a moderate-income census tract, two branches are located in a middle-income tract, and two branches are located in an upper-income census tract of Pinellas County.

During the review period, small business loans by number and dollar volume exceeded the number and dollar volume of residential real estate loans. Therefore, small business loans were given more weight in analyzing the bank's CRA performance.

Demographic Data by Census Tract

The table on the following page provides demographic information that was used in analyzing the bank's CRA performance. Certain components of the data in the table are discussed in the report as they apply to particular parts of the analysis.

DESCRIPTION OF ASSESSMENT AREA: Pinellas County, Florida (Continued)

UNITED BANK AND TRUST ASSESSMENT AREA								
DEMOGRAPHICS								
2001 HUD Median Family Income (MSA): \$47,700 Income Categories	Tract Distribution		Families					
			Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	6	3.1%	3,760	1.6%	1,566	41.6%	37,769	15.8%
Moderate	32	16.8%	31,028	13.0%	4,106	13.2%	44,817	18.8%
Middle	96	50.3%	121,852	51.1%	6,771	5.6%	56,743	23.8%
Upper	55	28.8%	81,950	34.3%	2,428	3.0%	99,261	41.6%
NA	2	1.0%	0	0.0%	0	0.0%	-	-
Total	191	100.0%	238,590	100.0%	14,871	6.2%	238,590	100.0%
	Housing Units by Tract							
	Total Units	Owner Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low	8,430	2,303	0.9%	27.3%	5,010	59.4%	1,853	22.0%
Moderate	70,442	32,463	12.3%	46.1%	28,281	40.1%	13,586	19.3%
Middle	235,472	138,776	52.7%	58.9%	67,889	28.8%	37,174	15.8%
Upper	143,997	89,846	34.1%	62.4%	34,913	24.2%	25,093	17.4%
NA	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Total	458,341	263,388	100.0%	57.5%	136,093	29.7%	77,706	17.0%
	*Total Businesses by Tract				Businesses by Tract and Revenue Size			
		#		#		#		
		%	%	Under \$1 Million	Over \$1 Million	%	%	
Low	412	1.0%		364	24	1.1%	0.7%	
Moderate	7,487	18.6%		6,390	694	18.5%	20.5%	
Middle	19,288	47.9%		16,645	1,558	48.2%	46.0%	
Upper	13,102	32.5%		11,129	1,108	32.2%	32.7%	
NA	0	0.0%		0	0	0.0%	0.0%	
Total	40,289	100.0%		34,528	3,384	100.0%	100.0%	
	Percentage of Total Businesses:					85.7%	8.4%	

Sources: 1990 Census Data, 2001 Dun & Bradstreet business demographic data.
 * Businesses with revenues under \$1million & over \$1million will not total due to revenue not available.
 NA Tracts are tracts without household or family income.

Population

At the time of the 1990 Census, Pinellas County's population was 851,659 persons, which represented 41.1 percent of the MSA's population of 2,067,959. According to the estimated Census data, as of July 1, 1999, the total population of Pinellas County has increased by 3.2 percent to 878,499 persons.

Income Characteristics

At the time of the 1990 Census, there were 238,590 families in the assessment area. 15.8 percent were low-income, 18.8 percent were moderate-income, 23.8 were middle-income, and 41.6 percent were upper-income. A high level of poverty exists in low-income census tracts, where 41.6 percent of the families (1,566) have incomes below the poverty level. Also, 13.2 percent of the families (4,106) in moderate-income census tracts have incomes below the poverty level. Typically, families with incomes

DESCRIPTION OF ASSESSMENT AREA: Pinellas County, Florida (Continued)

below the poverty level have difficulty qualifying for residential mortgage loans without flexible or innovative loan underwriting standards. The 1990 median family income for the assessment area was \$33,795, which is higher than the state median family income of \$32,212. According to HUD, the estimated 2001 median family income for the MSA was \$47,700.

Housing Data

According to 1990 Census data, the majority (57.5 percent) of the housing units in the bank's assessment area were owner-occupied and the median housing value for owner-occupied units in the assessment area was \$78,607. The median housing value is higher than that of the MSA (\$70,886) and the state of Florida (\$76,487). Housing in the assessment area was primarily comprised of one- to four-family units (59.8 percent) and the median age of the housing stock was 24 years.

As reflected in the demographic table earlier in this report, a higher percentage of total housing units in the middle- and upper-income census tracts are owner occupied than in the low- and moderate-income census tracts. Because of the higher percentage of owner-occupied units in the middle and upper-income census tracts, the majority of consumer mortgage lending would be expected in these census tracts.

Employment Statistics

A review of data from the U.S. Bureau of Labor Statistics as of 1996 indicates that service industries are the largest employers in Pinellas County. The next largest employers are retail trade, government, and manufacturing. According to Regional Economic Information System (REIS) data, from 1990 to 1995, Pinellas County experienced a 1.39 percent increase in population and a 4.32 percent increase in total full- and part-time employment, with the greatest increase (15.6 percent) in the services sector. According to the U.S. Bureau of Labor Statistics, since 1998, the annualized unemployment rates (not seasonally adjusted) decreased from 3.1 percent in 1998 to 2.5 percent for 2000.

Business Size Characteristics

The demographic table earlier in this report provides key demographic business data by census tract within United Bank and Trust Company's assessment area. The Dun and Bradstreet information for 2000 illustrates that 85.7 percent of the businesses in the bank's assessment area had total revenues less than \$1 million and were therefore considered to be small businesses.

DESCRIPTION OF ASSESSMENT AREA: Pinellas County, Florida (Continued)

Competition

The assessment area is a highly competitive banking market due to the significant presence of banks in this market and local area population. Many of these banks are statewide, multi-regional, or national banks. Some of the financial institutions represented in the bank's assessment area are: Bank of America, AmSouth Bank, First Union National Bank, Bank of St. Petersburg, Republic Bank, SouthTrust Bank, SunTrust Bank, and Mercantile Bank. Local competition does not seem to have adversely affected the bank's ability to serve the credit needs of its assessment area.

Community Contacts

As part of the CRA examination, information was obtained from two community contacts regarding local economic conditions and community credit needs. It was noted that United Bank and Trust Company has been receptive to the credit needs of the business community and was deemed a good corporate citizen.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio Analysis

United Bank and Trust Company meets the standards for a satisfactory performance in this category. Based on the information from the bank's Consolidated Reports of Condition and Income, the bank's average LTD ratio for the fifteen quarters ending September 30, 2001, was 81.34 percent. The LTD ratio has fluctuated for the past fifteen quarters from 68.70 percent as of March 31, 1998, to 86.05 percent as of September 30, 2001. United Bank and Trust Company's average LTD ratio was compared with the average LTD ratios of five financial institutions of similar asset size within Pinellas County. The average range of LTD ratios for the same period of time (fifteen quarters ending September 30, 2001) for these five banks was 44.75 percent to 88.97 percent.

Lending in the Assessment Area

United Bank and Trust Company's lending in the assessment area meets the standards for satisfactory performance in this category. A sample of 303 small business loans, originated from January 1998 through September 2001, and the universe of 81 residential mortgage loans, originated from January 1998 through September 2001, were analyzed to determine the extent of the bank's lending inside the assessment area. As illustrated in the following table, a **MAJORITY** of number and dollar volume of the bank's small business loans and residential mortgage loans were originated within the assessment area.

LENDING INSIDE AND OUTSIDE ASSESSMENT AREA				
Loan Type	IN			
	#	%	\$ (000s)	%
Small Business	237	78.2%	\$29,619	72.2%
HMDA	73	90.1%	\$15,400	92.8%
<i>Total In</i>	<i>310</i>	<i>80.7%</i>	<i>\$45,019</i>	<i>78.1%</i>
	OUT			
	#	%	\$ (000s)	%
Small Business	66	21.8%	\$11,406	27.8%
HMDA	8	9.9%	\$1,203	7.2%
<i>Total Out</i>	<i>74</i>	<i>19.3%</i>	<i>\$12,609</i>	<i>21.9%</i>

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

Lending to Businesses of Different Sizes and Borrowers of Different Incomes

To assess United Bank and Trust Company's performance relative to this criterion, 237 small business loans and 73 residential real estate loans secured by property located within the bank's assessment area were analyzed. Borrower income classifications were assigned in accordance with the definitions outlined earlier in this report. For this analysis, the distribution of small business lending by business revenue sizes and residential real estate loans by borrower income levels was compared with available demographic information. Performance context issues were also considered, as well as the performance of other banks in the assessment area for residential real estate loans originated in 2000.

Lending to Businesses of Different Sizes

United Bank and Trust Company's record of lending to businesses of different sizes is considered **REASONABLE** given the business demographics of the bank's assessment area. Of the 237 loans originated in the assessment area during the review period, 105 had revenue information. Of the 105 loans, 73 (70.0 percent) were extended to businesses with gross annual revenues of \$1 million or less. In addition, of the 237 small business loans, 146 (61.6 percent) were in amounts of \$100,000 or less. Based on these factors, United Bank and Trust Company's performance with regard to lending to businesses of different sizes is satisfactory. As noted earlier, 85.7 percent of the businesses in the assessment area are considered to be small businesses.

SMALL BUSINESS by Business Revenue and				
Business Revenue:	#	%	\$(000)s	%
\$1 Million or Less	73	30.8%	\$8,070	27.2%
Over \$1 Million	32	13.5%	\$4,451	15.0%
Not Available	132	55.7%	\$17,098	57.8%
Loan Size:				
\$100,000 or Less	146	61.6%	\$5,828	19.7%
\$100,001 - \$250,000	63	26.6%	\$10,842	36.6%
\$250,001 - \$1 Million	28	11.8%	\$12,949	43.7%
<i>Total</i>	<i>237</i>	<i>100.0%</i>	<i>\$29,619</i>	<i>100.0%</i>

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

Lending to Borrowers of Different Incomes

United Bank and Trust Company's distribution of lending by income levels of borrowers needs to improve. The first two rows of the table below illustrate that 1.4 percent and 2.7 percent of the bank's residential real estate loans were originated to low- or moderate-income borrowers, respectively. The aggregate lending comparison table on page 12 of Appendix A shows that in 2000, the bank's lending to low- and moderate-income borrowers was significantly below the aggregate.

As indicated earlier, approximately 15.8 percent of the families in the bank's assessment area were considered low-income and 18.8 percent were considered moderate-income. 6.2 percent of the total families in the bank's assessment area were below the poverty level. While these families are not ineligible for credit, it is recognized that they have a lower capacity for debt repayment and therefore, may not qualify for residential real estate loans.

This level of lending is **POOR** considering the demographics of the assessment area. However, the bank is primarily a commercial lending and focuses on increasing its commercial loan portfolio.

HMDA LOANS BY BORROWER INCOME		
Borrower Income Level	Number	Percent
Low-Income	1	1.4%
Moderate-Income	2	2.7%
Middle-Income	4	5.5%
Upper-Income	16	21.9%
Income Not Available	50	68.5%
<i>Total</i>	<i>73</i>	<i>100.0%</i>

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

Geographic Distribution of Loans

When the bank's performance context is considered, the geographic distribution of small business loans and the distribution of residential real estate loans reflects **EXCELLENT** penetration. The 237 small business loans and 73 residential real estate loans secured by property inside the bank's assessment area were used to analyze the distribution of lending activity in the assessment area. For this analysis, the geographic distribution of small businesses, and residential real estate loans was compared with the demographic information available. Performance context issues were also considered, as well as the performance of other banks in the assessment area for residential real estate loans originated in 2000.

As demonstrated in the table below, the bank originated 1.7 percent of its small business loans in low-income tracts and 23.2 percent of its small business loans in moderate-income census tracts. Only 1.1 percent and 18.5 percent of small businesses are located in low- and moderate-income census tracts, respectively. The majority of businesses in the bank's assessment area are located in the middle-income census tracts (48.2 percent). Based on these factors, the bank exceeds the standards for outstanding performance in this category.

GEOGRAPHIC DISTRIBUTION		
Tract Income Level	Small Business	
	#	%
Low-Income	4	1.7%
Moderate-Income	55	23.2%
Middle-Income	112	47.3%
Upper-Income	66	27.8%
NA	0	0.0%
<i>Total Assessment Area</i>	<i>237</i>	<i>100.0%</i>

As demonstrated in the next table, the bank originated 2.7 percent of its residential real estate loans in the low-income census tracts; although only 0.9 percent of total owner-occupied units in the assessment area are in the low-income tracts. Also, only 1.6 percent of the total families in the assessment area live in the low-income census tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

The bank's lending in moderate-income census tracts represented 35.6 percent of the residential real estate loans. 13.0 percent of the families in the assessment area reside in the moderate-income census tracts. In addition, the bank outperformed the aggregate in originated residential real estate loans in 2000 for the moderate-income tract. Given those considerations, the bank exceeds the standards for performance in this category.

GEOGRAPHIC DISTRIBUTION		
Tract Income Level	HMDA	
	#	%
Low-Income	2	2.7%
Moderate-Income	26	35.6%
Middle-Income	30	41.1%
Upper-Income	15	20.5%
NA	0	0.0%
<i>Total Assessment Area</i>	73	100.0%

Complaints

No CRA-related complaints have been received since the preceding performance evaluation.

Compliance with Antidiscrimination Laws and Regulations

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 the bank policies and procedures.

APPENDIX A

AGGREGATE LENDING TABLE

UNITED BANK AND TRUST ASSESSMENT AREA								
2000 AGGREGATE LENDING COMPARISON								
HMDA ORIGINATIONS & PURCHASES								
Income Category	By Tract Income				By Borrower Income			
	Bank		Aggregate		Bank		Aggregate	
	#	%	#	%	#	%	#	%
Low	0	0.0%	328	1.1%	1	4.2%	2,437	8.0%
Moderate	9	37.5%	3,659	12.0%	1	4.2%	5,713	18.8%
Middle	11	45.8%	14,439	47.5%	0	0.0%	6,308	20.7%
Upper	4	16.7%	11,990	39.4%	8	33.3%	11,869	39.0%
NA	0	0.0%	0	0.0%	14	58.3%	4,089	13.4%
Total	24	100.0%	30,416	100.0%	24	100.0%	30,416	100.0%