U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended March 31, 2002

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 005-55641

UNITED FINANCIAL HOLDINGS, INC.

(Name of Small Business Issuer in its Charter)

Florida	**59-2156002**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)

333 Third Avenue North, Suite 200
St. Petersburg, Florida 33701-3346
(Address of Principal Executive Offices)

(727) 898-2265
(Issuer's Telephone Number, Including Area Code)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes _X_ No ___

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Common Stock, $0.01 Par value	4,435,229
Class	Outstanding as of April 30, 2002

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UNITED FINANCIAL HOLDINGS, INC.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

United Financial Holdings, Inc. and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	March 31, 2002 (unaudited)	December 31, 2001 (audited)
ASSETS		
Cash and due from banks	$ 16,495	$ 17,556
Federal funds sold	18,089	12,671
Securities held to maturity, market value of $21,327 and $19,907 respectively	21,306	19,643
Securities available for sale, at market	22,764	26,820
Loans, net	263,412	242,364
Premises and equipment, net	12,484	11,732
Federal Home Loan Bank stock	613	507
Federal Reserve Bank stock	407	226
Accrued interest receivable	1,700	1,466
Intangible assets	3,010	2,948
Other real estate owned	139	141
Other assets	8,234	8,118
Total assets	$ 368,653	$ 344,192
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Demand	$ 53,851	$ 55,994
NOW and money market	105,889	93,690
Savings & Time Deposits	146,792	132,884
Total deposits	306,532	282,568
Securities sold under agreements to repurchase	14,196	15,523
Accrued interest payable	949	642
Other liabilities	4,013	2,811
Total liabilities	325,690	301,544
Company-obligated Mandatory Redeemable Capital Securities of Subsidiary Trusts	16,750	16,750
STOCKHOLDERS' EQUITY		
Series one convertible preferred stock	2,932	3,075
7% convertible preferred stock	67	67
Common stock	45	45
Paid-in capital	10,983	10,983
Treasury shares	(177)	(177)
Accumulated other comprehensive income	57	157
Retained earnings	12,306	11,749
Total stockholders' equity	26,213	25,899
Total liabilities and stockholders' equity	$ 368,653	$ 344,192

See accompanying notes to condensed consolidated financial statements.

United Financial Holdings, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(unaudited)
(in thousands, except per share data)

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
Interest income		
Loans and loan fees	$ 4,982	$ 4,627
Securities	553	410
Federal funds sold and securities purchased under reverse repurchase agreements	77	55
Total interest income	5,612	5,092
Interest expense		
Deposits	1,750	1,960
Long-term debt and other borrowings	-	128
Subordinated debentures issued to subsidiary trusts	343	159
Total interest expense	2,093	2,247
Net interest income	3,519	2,845
Provision for loan losses	303	210
Net interest income after provision for loan losses	3,216	2,635
Other income		
Service charges on deposit accounts	386	274
Trust and investment management income	835	843
Gain on sales of loans	134	140
All other fees and income	259	158
Total other income	1,614	1,415
Other expense		
Salaries and employee benefits	2,123	1,740
Occupancy expense	262	187
Furniture and equipment expense	204	166
Data Processing	208	190
Marketing and business development	100	113
Other operating expenses	575	500
	3,472	2,896
Earnings before income taxes	1,358	1,154
Income tax expense	510	416
NET EARNINGS	$ 848	$ 738
Earnings Per Share:		
Basic	$ .19	$ .17
Diluted	$ .18	$ .16

See accompanying notes to condensed consolidated financial statements.

United Financial Holdings, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

(in thousands)

	Three Months Ended	
	March 31, 2002	March 31, 2001
Net earnings	$ 848	$ 738
Other comprehensive income		
Unrealized holding gains (losses)	(152)	141
Income tax (expense) benefit related to items of other comprehensive income	52	(48)
Comprehensive income	$ 748	$ 831

(continued)

United Financial Holdings, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Series One Convertible Preferred Stock	7% Convertible Preferred Stock	Common Stock	Paid-In Capital	Treasury Shares	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance at December 31, 2001	$ 3,075	$ 67	$ 45	$ 10,983	$ (177)	$ 157	$ 11,749	$ 25,899
Net Earnings	-	-	-	-	-	-	848	848
Dividends on Common Stock	-	-	-	-	-	-	(267)	(267)
Dividends on Preferred Stock	-	-	-	-	-	-	(24)	(24)
Accumulated other comprehensive income	-	-	-	-	-	(100)	-	(100)
Return of shares in settlement of acquisition contingency	(143)	-	-	-	-	-	-	(143)
Balance at March 31, 2002	$ 2,932	$ 67	$ 45	$ 10,983	$ (177)	$ 57	$ 12,306	$ 26,213

(continued)

United Financial Holdings, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
Cash flows from operating activities:		
Net earnings	$ 848	$ 738
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:		
Provision for loan losses	303	210
Provision for depreciation and amortization	221	221
Accretion of securities discount	(8)	(36)
Amortization of unearned loan fees	(60)	(75)
Amortization of securities premiums	36	5
Gain on sales of loans	(200)	(230)
(Increase) decrease in accrued interest receivable	(235)	61
Increase in accrued interest payable	307	180
(Increase)decrease in other assets	(112)	539
(Increase) decrease in other liabilities	1,202	(1,956)
Net cash provided by (used in) operating activities	2,302	(343)
Cash flows from investing activities:		
Purchase of FRB and FHLB stock	(288)	-
Net (increase) in Federal funds sold	(5,418)	(9,674)
Principal repayments of held to maturity securities	3,439	315
Principal repayments of available for sale securities	7,367	166
Proceeds from maturities of available for sale securities	1,000	-
Proceeds from maturities of held to maturity securities	1,000	2,950
Purchases of held to maturity securities	(6,030)	(495)
Purchases of available for sale securities	(4,511)	-
Proceeds from sales of loans	1,837	2,849
Net (increase) in loans	(23,132)	(8,630)
Capital expenditures	(973)	(656)
Net cash used in investing activities	(25,709)	(13,175)

(continued)

United Financial Holdings, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED
(unaudited)
(in thousands)

	Three Months Ended	
	March 31, 2002	March 31, 2001
Cash flows from financing activities:		
Net increase (decrease) in demand deposits, NOW accounts, money market accounts and savings accounts	$ 10,314	$ (2,398)
Net increase in certificates of deposit	13,646	14,812
Net (decrease) increase in securities sold under agreements to repurchase	(1,327)	1,858
Dividend paid on Preferred Stock	(24)	(2)
Dividend paid on Common Stock	(267)	(222)
Purchase of Treasury Shares	-	(60)
Net cash provided by financing activities	22,346	13,988
Net (decrease) increase in cash and due from banks	(1,061)	470
Cash and due from banks at beginning of period	17,556	9,420
Cash and due from banks at end of period	$ 16,495	$ 9,890
Cash paid during the period for:		
Interest	$ 1,786	$ 2,066
Income taxes	$ 371	$ 595
Supplemental Disclosure of Non-cash Activity		
Non-cash common stock issued	$ -	$ 932

Related to the acquisition of First Security Bank at April 1, 2001, the Company made a final purchase accounting adjustment to decrease loans by $206 thousand, decrease the Series One Preferred stock by $143 thousand, and increase goodwill by $63 thousand.

See accompanying notes to condensed consolidated financial statements.

NOTE 1 – HOLDING COMPANY AND SUBSIDIARIES BACKGROUND INFORMATION

United Financial Holdings, Inc. (the "Company") is a registered bank holding company formed in 1982, the principal subsidiary of which is United Bank ("Bank"), a Florida-chartered commercial bank headquartered in St. Petersburg, Florida. The Bank was founded in 1979 and is a community-oriented, full service commercial bank with seven branch offices serving Pinellas County in the State of Florida.

The Company's other operating subsidiaries are EPW Investment Management, Inc., an investment advisory firm registered under the Investment Advisers Act of 1940 ("EPW") headquartered in Tampa, Florida with an office in Jacksonville, Florida; United Trust Company, a Florida-chartered trust company ("Trust") located in St. Petersburg, Florida; and United Bank of the Gulf Coast (the "UBGC", formerly known as First Security Bank), a Florida-chartered commercial bank with one office located in Sarasota, Florida. The Sarasota bank was started by a group of local investors in February 1999 and acquired by the Company on April 1, 2001. EPW offers investment management services to corporate, municipal and high net worth individual clients throughout the State of Florida. United Trust is a wholesale provider of data processing, administrative and accounting support and asset custody services to professionals holding assets in trust (primarily legal and accounting firms). In addition, United Trust also provides retail trust and investment management services to individual and corporate clients.

NOTE 2 – BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. In the opinion of management, all adjustments, consisting primarily of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods have been made to fairly state the results for the interim periods. The results of operations of the three months ended March 31, 2002 are not necessarily indicative of the results expected for the full year.

The organization and business of the Company, accounting policies followed by the Company and other information are contained in the Company's December 31, 2001 10-KSB. This quarterly report should be read in conjunction with such annual report.

NOTE 3 – EARNINGS PER SHARE

Basic earnings per share are based on the weighted average number of common shares outstanding during the periods. Diluted earnings per share includes the weighted average number of common shares outstanding during the periods and the further dilution from the conversion of the convertible debt and the preferred stock and the exercise of stock options using the treasury stock method. The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations for the periods presented (dollars in thousands, except per share data):

	For the three months ended March 31,					
	2002			2001		
	Earnings	Weighted Average Shares	Per Share Amount	Earnings	Weighted Average Shares	Per Share Amount
Basic EPS						
Net earnings available to Common Stockholders	$ 824	4,440,421	$ .19	$ 736	4,406,890	$ .17
Effect of dilutive securities						
Incremental shares from assumed exercise or conversion of:						
Convertible Debt	-	-		1	27,162	
Preferred Stock	2	56,233		2	56,233	
Stock Options	-	139,104		-	3,025	
Diluted EPS						
Net earnings available to Common Stockholders and assumed conversions	$ 826	4,635,758	$ .18	$ 739	4,493,310	$ .16

NOTE 4 – BUSINESS SEGMENT INFORMATION

United Financial has three reportable segments: Commercial Banking, which consists of the Bank and UBGC; Trust Services, which consists of United Trust; and Investment Management Services, which consists of EPW Investment Management. Corporate and Other includes corporate expenses such as corporate overhead, intercompany transactions, and certain goodwill amortization (in 2001 only). The following table presents the Company's Business Segment Information for the three months ended March 31, 2002 and 2001, respectively (dollars in thousands):

	For the three months ended March 31, 2002				
	Commercial Banking	Investment Management	Trust Services	Corporate & Other	Total
Net Interest Income	$ 3,788	$ -	$ 40	$ (309)	$ 3,519
Non Interest Income	856	390	455	(87)	1,614
Total Revenue	4,644	390	495	(396)	5,133
Loan Loss Provision	303	-	-	-	303
Non Interest Expense	2,733	322	399	18	3,472
Pretax Income (Loss)	1,608	68	96	(414)	1,358
Income Taxes (Benefit)	606	25	34	(155)	510
Segment Net Income (Loss)	$ 1,002	$ 43	$ 62	$ (259)	$ 848

	For the three months ended March 31, 2001				
	Commercial Banking	Investment Management	Trust Services	Corporate & Other	Total
Net Interest Income	$ 2,967	$ -	$ 37	$ (159)	$ 2,845
Non Interest Income	602	434	421	(42)	1,415
Total Revenue	3,569	434	458	(201)	4,260
Loan Loss Provision	210	-	-	-	210
Non Interest Expense	2,085	366	432	13	2,896
Pretax Income (Loss)	1,274	68	26	(214)	1,154
Income Taxes (Benefit)	450	25	18	(77)	416
Segment Net Income (Loss)	$ 824	$ 43	$ 8	$ (137)	$ 738

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words "believe," "estimate," "expect," "intend," "anticipate," "plan" and similar expressions and variations thereof identify certain of such forward-looking statements which speak only as of the dates on which they were made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those indicated in the forward-looking statements as a result of various factors. Such factors include, but are not limited to competition, general economic conditions, potential changes in interest rates, and changes in the value of real estate securing loans made by the Company.

COMPARISON OF BALANCE SHEETS AT MARCH 31, 2002 AND DECEMBER 31, 2001

Overview

Total assets of the Company were $368.7 million at March 31, 2002, compared to $344.2 million at December 31, 2001, an increase of $24.5 million or 7.1%. This increase was primarily the result of the Company's internal growth of earning assets (primarily loans) funded by an increase in deposits.

Investment Securities

Investment securities, consisting of U.S. Treasury and federal agency securities, obligations of state and political subdivisions and mortgage-backed and corporate debt securities, were $44.1 million at March 31, 2002, compared to $46.5 million at December 31, 2001, a decrease of $2.4 million or 5.2%. Included in investment securities at March 31, 2002, were $22.8 million of securities held as "available for sale" to provide the Company greater flexibility to respond to changes in interest rates and liquidity. These securities have been recorded at market value.

Loans

Total loans were $268.8 million at March 31, 2002, compared to $247.5 million at December 31, 2001, an increase of $21.3 million or 8.6%. For the same period, real estate mortgage loans increased by $8.1 million or 5.0%, commercial loans increased by $13.1 million or 16.7%, and all other loans including consumer loans increased by $0.1 million or 1.6%. Loans net of allowance for loan loss and unearned fees were $263.4 million at March 31, 2002 compared to $242.4 million at December 31, 2001.

The following table sets forth information concerning the loan portfolio by collateral types as of the dates indicated (dollars in thousands):

	March 31, 2002	December 31, 2001
Real estate mortgage loans:		
Commercial real estate	$ 121,612	$ 116,081
One-to-four family residential	12,776	12,980
Multifamily residential	14,023	14,911
Construction and land development	20,447	16,796
Total real estate mortgage loans	168,858	160,768
Commercial loans	91,571	78,459
Consumer loans	6,837	6,486
Other loans	1,553	1,773
Gross loans	268,819	247,486
Allowances for loan losses	(3,939)	(3,790)
Unearned fees	(1,468)	(1,332)
Total loans net of allowance and unearned fees	$ 263,412	$ 242,364

Asset Quality and Allowance for Loan Losses

The allowance for loan losses represents management's estimate of an amount adequate to provide for potential losses within the existing loan portfolio. The allowance is based upon an ongoing quarterly assessment of the probable estimated losses inherent in the loan portfolio, and to a lesser extent, unused commitments to provide financing.

The methodologies for assessing the appropriateness of the allowance consist of several key elements, which include: 1) the formula allowance; 2) review of the underlying collateral on specific loans; and 3) historical loan losses. The formula allowance is calculated by applying loss factors to outstanding loans and unused commitments, in each case based on the internal risk grade of those loans. Changes in risk grades of both performing and non-performing loans affect the amount of the formula allowance. On the larger criticized or classified credits, a review is conducted of the underlying collateral that secures each credit. A worse case scenario review is conducted on those loans to calculate the amount, if any, of potential loss. The historical loan loss method is a review of the last six years of actual losses. The loss percentage is calculated and applied to the current outstanding loans in total.

Various conditions that would affect the loan portfolio are also evaluated. General economic and business conditions that affect the portfolio are reviewed including: 1) credit quality trends including trends in past due and non-performing loans; 2) collateral values in general; 3) loan volumes and concentration; 4) recent loss experience in particular segments of the portfolio; 5) duration and strength of the current business cycle; 6) bank regulatory examination results; and 7) findings of the external loan review process. Senior management and the Directors' General Loan Committee review these conditions quarterly. If any of these conditions presents a problem to the loan portfolio, an additional allocation may be recommended.

The following table sets forth information concerning the activity in the allowance for loan losses during the periods indicated (dollars in thousands):

	For the three months ended	
	March 31, 2002	March 31, 2001
Allowance at beginning of period	$ 3,790	$ 2,761
Charge-offs:		
Real estate loans	-	-
Commercial loans	152	5
Consumer loans	6	2
Total charge-offs	158	7
Recoveries:		
Real estate loans	-	20
Commercial loans	3	10
Consumer loans	1	1
Total recoveries	4	31
Net charge-offs	(154)	(24)
Provision for loan losses	303	210
Allowance at end of period	$ 3,939	$ 2,995

Nonperforming Assets

Nonperforming assets include: 1) loans which are 90 days or more past due and have been placed into non-accrual status; 2) accruing loans that are 90 days or more delinquent that are deemed by management to be adequately secured and in the process of collection; and 3) ORE (*i.e.*, real estate acquired through foreclosure or deed in lieu of foreclosure). All delinquent loans are reviewed on a regular basis and are placed on non-accrual status when, in the opinion of management, the possibility of collecting additional interest is deemed insufficient to warrant further accrual. As a matter of policy, interest is not accrued on loans past due 90 days or more unless the loan is both well secured and in process of collection. When a loan is placed in non-accrual status, interest accruals cease and uncollected accrued interest is reversed and charged against current income. Additional interest income on such loans is recognized only when received.

The following table sets forth information regarding the components of nonperforming assets at the dates indicated (dollars in thousands):

	March 31, 2002	December 31, 2001
Real estate loans	$ 1,791	$ 2,377
Commercial loans	129	186
Consumer loans	-	-
Total non-accrual loans	1,920	2,563
Other Real Estate	139	141
Accruing Loans 90 days past due	51	164
Total nonperforming assets	$ 2,110	$ 2,868

Bank Premises and Equipment

Bank premises and equipment was $12.5 million at March 31, 2002, compared to $11.7 million at December 31, 2001, an increase of $.8 million or 6.8%. This increase was primarily due to the acquisition of office equipment and the completion of the construction of a new branch office, less the depreciation of the buildings and equipment and amortization of leasehold improvements.

Deposits

Total deposits were $306.5 million at March 31, 2002, compared to $282.6 million at December 31, 2001, an increase of $23.9 million or 8.5%. During the three months ended March 31, 2002 demand deposits decreased $2.1 million, NOW and money market deposits increased $12.2 million, and savings deposits and time deposits increased $13.9 million.

Mandatory Redeemable Capital Securities of Subsidiary Trusts

UFH Capital Trust I

In December 1998, the Company, through a statutory business trust created and owned by the Company, issued $6,749,600 (including an overallotment of $749,600 that closed on January 14, 1999) of 9.40% Cumulative Trust Preferred Securities that will mature on December 10, 2028. The principal assets of the statutory business trust are debentures issued to the Company in an aggregate amount of $6.96 million, with an interest rate of 9.40% and a maturity date of December 10, 2028.

UFH Statutory Trust II

In December 2001, the Company, through a statutory business trust created and owned by the Company, issued $10,000,000 of Cumulative Trust Preferred Securities with a floating rate of 3 month LIBOR plus 360 basis points that will mature on December 18, 2031. The principal assets of the statutory business trust are debentures issued to the Company in an aggregate amount of $10.31 million, with a floating interest rate of 3 month LIBOR plus 360 basis points and a maturity date of December 23, 2031.

Stockholders' Equity

Stockholders' equity was $26.2 million at March 31, 2002, or 7.11% of total assets, compared to $25.9 million, or 7.52% of total assets at December 31, 2001. At March 31, 2002, the Company's Tier I (core) Capital ratio was 8.81%, its Tier I Risk-based Capital ratio was 10.38%, and its Total Risk-based Capital ratio was 14.22%. Management believes that the capital ratios of the Company and the Banks at that date all exceeded the minimum regulatory guidelines for an institution to be considered "well capitalized". The increase in stockholders' equity was due to first quarter net income, less dividends declared and changes in the market value of securities available for sale, net of deferred taxes.

COMPARISON OF RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

Overview

Net income for the three months ended March 31, 2002 was $848 thousand or $0.18 per share diluted, compared to $738 thousand or $0.16 per share diluted for the same period in 2001. On a pre-tax basis, United Trust earned $96 thousand in 2002 versus $26 thousand in 2001, EPW's pre-tax operating profits remained at $68 thousand, equal to the same period in 2001, and Commercial Banking's pre-tax profits increased to $1,608 thousand from $1,274 thousand during this same period.

Analysis of Net Interest Income

Interest income for the three months ended March 31, 2002 was $5.6 million, compared to $5.1 million for the same period in 2001, a $0.5 million or 9.8% increase. This increase in interest income is primarily due to an increase in earning assets, the majority of which were loans. Interest expense was $2.1 million for the three months ended March 31, 2002, compared to $2.2 million for the same period in 2001, a $0.1 million or 4.5% decrease. This decrease is primarily due to a general reduction of interest rates on deposits partially offset by an increase of deposits.

Provision for Loan Losses

For the three months ended March 31, 2002, the provision for loan losses charged to expense was $303 thousand, compared to $210 thousand for the same period in 2001, an increase of $93 thousand or 44.3%. The allowance of possible loan losses was $3.9 million at March 31, 2002. Management's judgment as to the adequacy of the allowance is based upon a number of assumptions about the future events which it believes to be reasonable, but which may or may not be accurate. Because of the inherent uncertainty of assumptions made during the evaluation process, there can be no assurance that loan losses in future periods will not exceed the allowance for loan losses or that additional provisions will not be required.

Noninterest Income

Noninterest income for the three months ended March 31, 2002 was $1.6 million compared to $1.4 million for the same period in 2001, an increase of $0.2 million or 14.1%. This increase was primarily due to an increase of service charge income on deposit accounts.

Noninterest Expense

Total noninterest expense for the three months ended March 31, 2002 was $3.5 million compared to $2.9 million for the same period in 2001, an increase of $0.6 million or 19.8%. This increase was due to increases in salary and benefits expense of $383 thousand, occupancy expense of $75 thousand, data processing expense of $18 thousand, and furniture and equipment expense of $38 thousand. Included in these categories are the expenses associated with UBGC, which was acquired effective April 1, 2001.

LIQUIDITY

During the three months ended March 31, 2002, the Company's primary sources of funds consisted of deposit inflows and proceeds from the maturity and principal repayment of securities available for sale. The Company used its capital resources principally to fund existing and continuing loan commitments, to purchase loan participations and to purchase overnight investments (i.e. federal funds sold). At March 31, 2002, the Company had commitments to originate loans totaling $26.4 million. Management believes the Company has adequate resources to fund all its commitments. Management also believes that, if so desired, it can adjust the rates on time deposits to retain deposits in a changing interest rate environment. As Florida-chartered commercial banks, the Commercial Banking segment is required to maintain a liquidity reserve of at least 15% of their total transaction accounts and 8% of their total nontransaction accounts less those deposits of certain public funds. The liquidity reserve may consist of cash on hand, cash on demand with other correspondent banks and other investments and short-term marketable securities as defined, such as federal funds sold and United States securities or securities guaranteed by the United States. As of March 31, 2002, the Commercial Banking segment had liquidity of approximately $62.9 million, or approximately 20% of total deposits.

Management believes the Commercial Banking segment was in compliance with all minimum liquidity requirements that it was subject to at March 31, 2002.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company and the subsidiaries are parties to various legal proceedings in the ordinary course of business. Management does not believe that there is any pending or threatened proceeding against the Company or the subsidiaries which, if determined adversely, would have a material effect on the business, results of operations, or financial position of the Company or the subsidiaries.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SHAREHOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

None.

(b) Reports on Form 8-K

There were no reports on Form 8-K filed during the period ending March 31, 2002.

UNITED FINANCIAL HOLDINGS, INC. AND SUBSIDIARIES

SIGNATURES

Under the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED FINANCIAL HOLDINGS, INC.
(Registrant)

Date: May 8, 2002

By: /s/ NEIL W. SAVAGE
Neil W. Savage
President and Chief Executive Officer

Date: May 8, 2002

By: /s/ C. PETER BARDIN
C. Peter Bardin
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)