

Federal Deposit Insurance Corporation  
**INTERAGENCY BANK MERGER ACT APPLICATION**

Check all that apply:

Type of Filing	Form of Transaction	Filed Pursuant To
<input type="checkbox"/> Affiliate/Corporate Reorganization	<input checked="" type="checkbox"/> Merger	<input checked="" type="checkbox"/> 12 U.S.C. 1828(c)
<input type="checkbox"/> Combination with Interim Depository Institution	<input type="checkbox"/> Consolidation	<input type="checkbox"/> 12 U.S.C. 215,215a
<input checked="" type="checkbox"/> Nonaffiliate Combination	<input type="checkbox"/> Purchase and Assumption	<input type="checkbox"/> 12 U.S.C. 1815(a)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Branch Purchase and Assumption	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Other _____	

**Applicant Depository Institution**

**Unified Bank** **621319 (Ohio Charter) 9463 (FDIC Cert)**  
Name Charter/Docket Number

201 South Fourth Street  
Street

Martins Ferry Ohio 43935  
City State ZIP Code

**Target Institution**

**The First National Bank of Powhatan Point** **7759 (OCC Charter) 13567 (FDIC Cert)**  
Name Charter/Docket Number

345 Highway 7 North  
Street

Powhatan Point Ohio 43942  
City State ZIP Code

**Resultant Institution (if different than the Applicant)**

Name Charter/Docket Number

Street

City State ZIP Code

**Contact Persons:**

**David J. Mack** **Attorney / Shumaker, Loop & Kendrick, LLP**  
Name Title/Employer

North Courthouse Square 1000 Jackson Street  
Street

Toledo Ohio 43604-5573  
City State ZIP Code

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Telephone Number Fax Number E-Mail Address

1. Describe the transaction's purpose, structure, significant terms, conditions, and termination dates of related contracts or agreements; and financing arrangements, including any plan to raise additional equity or incur debt.

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## **Parties**

The Applicant, Unified Bank, is an Ohio chartered commercial bank, operating 18 full-service branches and numerous ATM locations in southeast Ohio and a loan production office in Wheeling, West Virginia. Unified Bank has its main office in Martins Ferry, Ohio and is the wholly-owned commercial bank subsidiary of United Bancorp, Inc. ("United Bancorp"), an Ohio corporation and registered bank holding company. Unified Bank offers commercial, consumer, business, and residential mortgage loan products in a retail-banking environment. The bank remains active in selling loans in the secondary market to the FHLMC, FHA and VA. Additionally, the bank offers a variety of deposit products, including checking, savings, money market accounts, IRAs and certificate of deposits. Alternative delivery systems include mobile banking, online banking, telephone transfers, and mobile deposit capture. Unified Bank also offers investment services (through LPL Financial) at its retail locations. Unified Bank is a nonmember of the Federal Reserve System, is insured by the Federal Deposit Insurance Corporation ("FDIC") and is regulated by the Ohio Division of Financial Institutions ("ODFI"). As of June 30, 2018, Unified Bank reported total assets of \$513.0 million.

The Target Institution, The First National Bank of Powhatan Point ("First National"), is a nationally chartered commercial bank with its only office located in Powhatan Point, Ohio. First National is a full service community bank that services southern Belmont County, Ohio. First National operates out of a single office that includes drive-thru banking services and a single ATM. The bank is a wholly-owned subsidiary of Powhatan Community Bancshares Inc. ("Powhatan Point"), a one-bank holding company. First National offers loan products including home mortgage, consumer, commercial, municipal, and agricultural loans, in addition to checking, savings, and time deposit accounts. As of June 30, 2018, First National reported total assets of \$62.8million.

## **Background**

On June 14, 2018, United Bancorp and Powhatan Point entered into an Agreement and Plan of Merger (the "Merger Agreement"). The Merger Agreement provides for the acquisition of Powhatan Point by United Bancorp through the merger of Powhatan Point with and into United Bancorp, with United Bancorp continuing as the surviving corporation. Immediately following the merger of the holding companies, First National will merge with and into Unified Bank with Unified Bank being the surviving bank. The Boards of Directors of United Bancorp, Unified Bank, Powhatan Point and First National have each approved the Merger Agreement. Consummation of the mergers is subject to certain additional conditions, including, but not limited to, obtaining the requisite vote of the Powhatan Point's shareholders and the approval of the merger by various regulatory agencies.

Approval of the Merger Agreement and related transactions by the shareholders of Powhatan Point requires the affirmative vote of two-thirds of the issued and outstanding shares of Powhatan Point common stock. Each of the members of the Board of Directors of Powhatan Point has signed a voting agreement ("Voting Agreement") and agreed to vote his or her shares in favor of adoption of the Agreement at Powhatan Point's shareholder meeting.

## **Transaction Structure**

The Merger Agreement provides for the merger of Powhatan Point with and into United Bancorp (the "Merger"), with United Bancorp as the surviving corporation, and the merger of First National with and into Unified Bank, a wholly owned subsidiary of United Bancorp, with Unified Bank as the surviving bank in the merger.

Subject to certain potential adjustments discussed more thoroughly herein, if the merger is completed, each share of Powhatan Point common stock issued and outstanding immediately prior to the effective time of the merger,

United Bancorp will not raise additional equity or incur debt in connection with the proposed transactions.

## **Conduct of Business and Conditions to Consummation**

The Merger Agreement contains customary representations and warranties from both United Bancorp and Powhatan Point and each party has agreed to customary covenants, including, among others, covenants relating to the conduct of its business during the interim period between the execution of the Merger Agreement and the Effective Time, Powhatan Point's obligation to recommend that its shareholders adopt the Merger Agreement, and Powhatan Point's non-solicitation obligations relating to alternative acquisition proposals. United Bancorp and Powhatan Point have agreed to use their reasonable best efforts to prepare and file all applications, notices, and other documents to obtain all necessary consents and approvals for consummation of the transactions contemplated by the Merger Agreement.

The Merger is expected to close in the fourth quarter of 2018, pending the satisfaction of various, customary closing conditions, including the approval of Powhatan Point's shareholders and bank regulatory authorities, the effectiveness of the registration statement on Form S-4 for the United Bancorp common stock to be issued in the Merger, the accuracy of the representations and warranties of each party (subject to certain exceptions), and the performance in all material respects by each party of its obligations under the Agreement.

If the merger is not completed by the close of business on March 15, 2019, the Merger Agreement may be terminated by either Powhatan Point or United Bancorp, unless the failure of the closing to occur by such date is due to the failure of the party seeking to terminate the Merger Agreement to perform or observe the covenants and agreements of such party set forth in the Merger Agreement. The Merger Agreement also contains certain other termination rights for both United Bancorp and Powhatan Point, and further provides that, upon termination of the Agreement under specified circumstances, Powhatan Point will be required to pay United Bancorp a termination fee of [REDACTED]

### **Pro Forma Management Structure**

The current respective management teams of United Bancorp and Unified Bank will continue in their current roles following the consummation of the Acquisition. In addition, the Merger Agreement also provides that United Bancorp will take all appropriate action so that, as of the effective time of the respective mergers, one current outside director of Powhatan Point is selected by United Bancorp, in consultation with Powhatan Point, for appointment to the boards of director of both United Bancorp and Unified Bank. United Bancorp intends to retain all employees of Powhatan Point and First National following the consummation of the proposed transactions. [REDACTED]

The foregoing description of the Merger Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the Merger Agreement, which is filed as **Exhibit A** to this Application.

2. Indicate any other filings related to this transaction with other state and federal regulators.

**Ohio Division of Financial Institutions:** An application is being submitted to the ODFI requesting approval to merge First National into Unified Bank.

**FDIC:** An application is being submitted to the FDIC under the Bank Merger Act requesting approval to merge First National with and into Unified Bank.

**Federal Reserve System:** A request for a waiver of the application required under the Bank Holding Company Act will be submitted to the Federal Reserve System pursuant to 12 C.F.R. § 225.12(d)(2) for certain acquisitions subject to approval under the Bank Merger Act.

3. Discuss whether and how the resultant institution's business strategy and operations will remain the same or change from that of the applicant. Identify new business lines. Provide a copy of the business plan, if available. Discuss the plan for integrating any new businesses into the resultant institution.

There will be no material change to the Applicant's business strategy and operations as a result of the proposed mergers.

4. Provide a copy of (a) the executed merger or transaction agreement, including any amendments, (b) any board of directors' resolutions related to the transaction, and (c) interim charter, names of organizers, and any other related documents.

An executed copy of the Merger Agreement (including the related Bank Agreement of Merger) is provided as **Exhibit A**. Board Resolutions of United Bancorp and Unified Bank are provided as **Exhibit B**. Board Resolutions of Powhatan Point and First National are provided as **Exhibit C**.

5. Describe any issues regarding the permissibility of the proposal with regard to applicable state or federal laws or regulations (for example, nonbank activities, branching, or qualified thrift lender test).

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There are no particular issues regarding the permissibility of the proposal with regard to applicable state or Federal laws or regulations.

6. Describe any nonconforming or impermissible assets or activities that applicant or resultant institution may not be permitted to retain under relevant law or regulation, including the method of and anticipated time period for divestiture or disposal.

Not applicable. There will be no nonconforming or impermissible assets or activities that will result from the Merger.

7. Provide the following financial information.
- Pro forma balance sheet, as of the end of the most recent quarter. Indicate separately for the applicant and target institution each principal group of assets, liabilities, and capital accounts; debit and credit adjustments (explained by footnotes) reflecting the proposed acquisition; and the resulting pro forma combined balance sheet.
  - Projected balance sheets and corresponding income statements as of the end of the first three years of operation following consummation. Describe the assumptions used to prepare the projected statements.
  - Provide a discussion on the valuation of the target entity and any anticipated goodwill and other intangible assets.
  - Pro forma and Projected Regulatory Capital Schedule, as of the end of the most recent quarter and each of the first three years of operation, indicating:
    - Each component item for common equity tier 1 capital, additional tier 1 capital and tier 2 capital pursuant to the currently applicable capital requirements.
    - Total risk-weighted assets.
    - Common equity tier 1 capital, tier 1 capital, total capital, and leverage ratios pursuant to the capital regulations.
    - If applicable, also provide the applicant's existing and pro forma supplementary leverage ratio pursuant to the current capital adequacy regulations.

The financial information required by this Item is attached as **Confidential Exhibit 1**.

8. List the directors and senior executive officers of the resultant institution and provide the name, address, position with and shares held in the resultant institution or holding company, and principal occupation (if a director). Indicate any changes to the applicant's current directors and senior executive officers that would occur at the resultant institution. Applicants should consult with the responsible regulatory agency regarding whether any biographical or financial information should be submitted with respect to any new principal shareholders, directors, and senior executive officers.

The director and executive officer information required by this Item is attached as **Confidential Exhibit 2**.

9. Describe any litigation or investigation by local, state, or federal authorities involving the applicant or any of its subsidiaries or the target or any of its subsidiaries that is currently pending or was resolved within the last two years.

Not applicable

10. Describe how the proposal will assist in meeting the convenience and needs of the community to be served, including, but not limited to, the following:

Summarize efforts undertaken or contemplated by the applicant to ascertain and address the needs of the community(ies) to be served, including community outreach activities, as a result of the proposal. For the combining institutions, list any significant anticipated changes in services or products that will result from the consummation of the transaction. To the extent that any products or services would be offered in replacement of any products or services to be discontinued, indicate what these are and how they would assist in meeting the convenience and needs of the communities affected by the transaction. Discuss any enhancements in products or services expected to result from the transaction.

Unified Bank operates from 18 full service banking offices in southeastern and central Ohio, each of which provides sufficient hours, services and products, including drive-thru and automated teller machine ("ATM") access at most locations, to satisfy the communities' banking needs. Applicant offers a variety of loan products, including commercial loans, residential real estate (including FHLMC, FHA and VA loans), mortgage refinancing, home improvement, home-equity lines of credit, construction, consumer installment, business and personal credit cards, debit cards, automobile lending, and business lines of credit. Applicant's deposit products include savings accounts, money-market deposit accounts, certificates of deposit, individual retirement accounts, and several

types of checking accounts. Other services offered by Applicant include brokerage services through its affiliation with LPL Financial, online and telephone banking, check imaging, funds transfer, mobile banking, and remote deposit capture services.

The Merger will result in the addition of a number of products and services to the clients of First National that are not currently available, including each of the following:

- Broader ATM service access, including nationwide surcharge-free ATM access through Unified Bank's "Freedom" ATM/debit card;
- Mobile banking and mobile check deposit;
- Retail brokerage services;
- Remote deposit capture and cash management services for business customers; and
- A wider array of mortgage lending products and services.

Applicant does not anticipate that any products or services provided to customers of First National will be materially diminished as a result of the Merger.

11. Describe how the applicant and resultant institution will assist in meeting the existing or anticipated needs of its community(ies) under the applicable criteria of the Community Reinvestment Act (CRA) and its implementing regulations, including the needs of low- and moderate-income geographies and individuals. This discussion should include, but not necessarily be limited to, a description of the following:

The significant current and anticipated programs, products, and activities, including lending, investments, and services, as appropriate, of the applicant and the resultant institution. The anticipated CRA assessment areas of the resultant institution. If the resultant institution's CRA assessment area would not include any portion of the current assessment area of the target or the applicant, describe the excluded areas. The plans for administering the CRA program for the resultant institution following the transaction. For an applicant or target institution that has received a CRA composite rating of "needs to improve" or "substantial noncompliance" institution-wide or, where applicable, in a state or a multistate Metropolitan Statistical Area (MSA), or has received an evaluation of less than satisfactory performance in an MSA or in the non-MSA portion of a state in which the applicant is expanding as a result of the transaction, describe the specific actions, if any, that have been taken to address the deficiencies in the institution's CRA performance record since the rating.

Unified Bank currently operates 18 full-service branches and numerous ATM locations in 7 counties located in southeastern and central Ohio, as well as one loan production office in Wheeling, West Virginia. Unified Bank offers commercial, consumer, business, and residential mortgage loan products in a retail-banking environment. Unified Bank also offers a variety of deposit products, including checking, savings, money market accounts, and certificate of deposits. Alternative delivery systems provided by Unified Bank include mobile banking, online banking, telephone transfers, and mobile deposit capture. Unified Bank also offers investment services (through LPL Financial) at its retail locations.

Applicant's Assessment Area ("AA") includes offices in four MSAs and two Non-MSA areas in Ohio. The main office and four branch offices are located in Belmont County, Ohio in the Wheeling, OH-WV multistate Metropolitan Statistical Area ("MSA") (48540). Unified Bank also has two offices in the Weirton-Steubenville, OH-WV multistate MSA (48260) in Jefferson County, three offices in the Columbus, OH MSA (18140) located in Fairfield County, and two offices in the 4 Canton-Massillon, OH MSA (15940) in Carroll County. The Applicant also has four offices in the Non-MSA area (North) consisting of Tuscarawas and Harrison Counties, with three offices in Tuscarawas and one office in Harrison. The bank also has three offices in Non-MSA area (South) in Athens County. Other than a single loan production office located in Wheeling, the bank has no offices in West Virginia.

Unified Bank has designated the following six assessment areas (AAs) within the States of Ohio and West Virginia: the Wheeling Metropolitan Statistical Area (MSA), North Non-MSA, Weirton MSA, Columbus MSA, South Non-MSA, and Canton MSA. All of the counties in the AAs except for Fairfield are located in the Appalachian area of the State of Ohio and West Virginia. Ohio's Appalachian region covers 32 of Ohio's 88 counties. It runs from Cincinnati southeast along the Ohio River then north towards Cleveland. In aggregate, the combined assessment areas include 153 census tracts covering 10 counties.

The census tracts reflect the following income designations according to the 2010 U.S. Census:

- 8 low-income tracts,
- 37 moderate-income tracts,
- 85 middle-income tracts,
- 23 upper-income tracts.

First National's AA is comprised of seven census tracts in southern Belmont County and a single census tract in Monroe County that is directly adjacent to the Belmont County border. Belmont County is part of the Wheeling WV-OH multi-state MSA. Monroe County is not within any MSA.

Unified Bank's current AA includes all census tracts located in Belmont County, but does not include any census tract located in Monroe County. As a consequence, Unified Bank's revised AA will include only the single additional census tract identified by First National which is located in Monroe County, Ohio and not currently included in Unified Bank's AA.

Applicant received a CRA rating of "Satisfactory" in connection with its most recent CRA Examination. The following statements from the CRA Performance Evaluation Public Disclosure, dated November 12, 2015, summarize Applicant's overall lending performance:

The Lending Test is rated Satisfactory. The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.

- The bank made a majority of its small business and home mortgage loans in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration of loans among businesses of different sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution's community development performance demonstrates adequate responsiveness to the community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas.

12. The Dodd-Frank Wall Street Reform and Consumer Protection Act requires regulators to consider the risk to the stability of the United States banking and financial systems when reviewing a merger transaction between financial institutions. Discuss any effect(s) that the proposed transaction may have on the stability of the United States banking and financial systems.

The FDIC has historically looked to the following six factors when evaluating the impact that a proposed transaction may have on the stability of the United States banking and financial systems:

- (1) whether the proposed transaction would result in a material increase in risks to financial system stability due to an increase in size of the combining firms;
- (2) whether the transaction would result in a reduction in the availability of substitute providers for the services offered by the combining firms;
- (3) whether the transaction would materially increase the extent of the interconnectedness of the financial system;
- (4) whether the transaction would materially increase the extent to which the combining firms contribute to the complexity of the financial system;
- (5) whether the transaction would materially increase the extent of cross-border activities of the combining firms; and
- (6) whether the transaction would increase relative degree of difficulty of resolving the combined firm.

Applicant does not believe that the proposed transaction would give rise to any of factors (1) through (6). On a pro forma basis, Unified Bank will operate 19 full banking offices and have combined total assets of less than \$600 million. In addition, First National is a community bank that operates through a single banking office located in the Wheeling, WV Federal Reserve Banking Market, which currently includes a total of 15 additional depository institutions operating in excess of 60 full service banking offices in the market. As a consequence, the proposed transaction will have no impact on the stability of the United States banking and financial systems.

13. The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (12 U.S.C. § 1831u) (R-N) imposes additional considerations for certain interstate mergers between insured banks. Savings associations are not subject to R-N. If subject to these provisions, please provide the following information:

Identify any host states involved with this transaction that require the target to be in operation for a minimum number of years and discuss compliance with the R-N age requirement (12 U.S.C. § 1831u(a)(5)). Indicate that (1) the applicant has complied or will comply with the applicable filing requirements of any host state(s) that will result from the transaction and (2) the applicant has sent a copy of the merger application to the state bank supervisor of the resultant host state(s). Indicate applicability of R-N nationwide and statewide deposit concentration limits to the

transaction. If applicable, discuss compliance. Indicate applicability of state-imposed deposit caps, if any. If applicable, discuss compliance. Address whether:

- i. Each bank involved in the transaction is adequately capitalized on the date of filing.
- ii. The resultant institution will be well capitalized and well managed upon consummation of the transaction.

Discuss compliance with the CRA requirement of R-N. Discuss permissibility of retention of the target's main office and branches. Discuss any other restrictions that the host states seek to apply (including state antitrust restrictions).

Not applicable

14. List all offices of the applicant or target that: (a) will be established or retained as branches, including the main office, of the target institution, (b) are approved but unopened branch(es) of the target institution, including the date the current federal and state agencies granted approval(s), and (c) are existing branches that will be closed or consolidated as a result of the proposal (to the extent the information is available) and indicate the effect on the branch customers served. For each branch, list the popular name, street address, city, county, state, and zip code, specifying any that are in low- and moderate-income geographies.<sup>1</sup>

The main office of First National, located at 345 Highway 7 North, Powhatan Point, Ohio 43942, will continue to be operated as a full service branch banking office of Unified Bank following the completion of the proposed transactions. First National has no other banking offices currently in operation or branch applications pending approval. No existing branch office of either Unified Bank or First National will be closed or consolidated as a result of the proposed transaction.

15. As a result of this transaction, if the applicant will be or will become affiliated with a company engaged in insurance activities that is subject to supervision by a state insurance regulator, provide:

The name of the company, a description of the insurance activity that the company is engaged in and has plans to conduct. A list of each state and the lines of business in that state in which the company holds, or will hold, an insurance license. Indicate the state where the company holds a resident license or charter, as applicable.

Not applicable.

**If this is a nonaffiliate transaction, the applicant also must reply to items 16 through 18.**

16. Discuss the effects of the proposed transaction on existing competition in the relevant geographic market(s) where the applicant and the target institution operate. The applicant should contact the responsible regulatory agency for specific instructions to complete the competitive analysis.

Applicant does not believe that the proposed transaction will have any material effect on competition in any relevant geographic market. As more thoroughly discussed in the FDIC Supplement to Interagency Bank Merger Act Application that follows, the Applicant has identified the Wheeling, WV Federal Reserve Banking Market as the relevant geographic market for the proposed transaction. In evaluating effects on competition in any relevant geographic market, the FDIC will generally consider the degree of concentration within the relevant geographic market(s) using the Herfindahl-Hirschman Index (HHI) as a primary measure of market concentration. The FDIC normally will not deny a proposed merger transaction on antitrust grounds (absent objection from the Department of Justice) where the post-merger HHI in the relevant geographic market(s) is 1,800 points or less or, if it is more than 1,800, it reflects an increase of less than 200 points from the pre-merger HHI.

An HHI Deposit Analysis which demonstrates the competitive impact of the proposed transaction on the Wheeling Market is attached as Exhibit D. The attached analysis shows that, on both a weighted deposit and unweighted deposit basis, the transaction will result in an increase of 14 points, which demonstrates a minimal impact on competition in the Wheeling Market.

For more information, see the FDIC Supplement to Interagency Bank Merger Act Application

17. If the proposed transaction involves a branch sale or any other divestiture of all or any portion of the bank, savings association or nonbank company (in the case of a merger transaction under 12 U.S.C. § 1828(c)(1)) to mitigate competitive effects, discuss the timing, purchaser, and other specific information.

Not applicable.

18. Describe any management interlocking relationships (12 U.S.C. §§ 3201-3208) that currently exist or would exist following consummation. Include a discussion of the permissibility of the interlock with regard to relevant laws and regulations.

Not applicable.

**CERTIFICATION**

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We hereby certify that our board of directors, by resolution, has authorized the filing of this application, and that to the best of our knowledge, it contains no misrepresentations or omissions of material facts. In addition, we agree to notify the responsible regulatory agency if the facts described in the filing materially change prior to receiving a decision or prior to consummation. Any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject us to legal sanctions provided by 18 U.S.C. §§ 1001 and 1007.

We acknowledge that approval of this application is in the discretion of the responsible regulatory agency. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the responsible regulatory agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

Signed this 24<sup>th</sup> day of July, 2018.



**UNIFIED BANK**  
Applicant

by \_\_\_\_\_  
(Signature of Authorized Officer)

Scott A. Everson  
(Typed Name)  
  
Chairman, President and Chief Executive Officer  
(Title)

**THE FIRST NATIONAL BANK  
OF POWHATAN POINT**  
Target Institution

by \_\_\_\_\_  
(Signature of Authorized Officer)

William V. Busick  
(Typed Name)  
  
President  
(Title)

CERTIFICATION

We hereby certify that our board of directors, by resolution, has authorized the filing of this application, and that to the best of our knowledge, it contains no misrepresentations or omissions of material facts. In addition, we agree to notify the responsible regulatory agency if the facts described in the filing materially change prior to receiving a decision or prior to consummation. Any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject us to legal sanctions provided by 18 U.S.C. §§ 1001 and 1007.

We acknowledge that approval of this application is in the discretion of the responsible regulatory agency. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the responsible regulatory agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

Signed this 24<sup>th</sup> day of July, 2018.

**UNIFIED BANK**  
Applicant

by \_\_\_\_\_  
(Signature of Authorized Officer)

Scott A. Everson  
(Typed Name)

Chairman, President and Chief Executive Officer  
(Title)

**THE FIRST NATIONAL BANK  
OF POWHATAN POINT**  
Target Institution

by   
(Signature of Authorized Officer)

William V. Busick  
(Typed Name)

President  
(Title)

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## SUPPLEMENT TO INTERAGENCY BANK MERGER ACT APPLICATION

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### FEDERAL DEPOSIT INSURANCE CORPORATION

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All FDIC applicants should provide the following supplemental information with their applications:

22. This section supplements question 16 of the Interagency Bank Merger Act Application for transactions between nonaffiliated parties. Additional guidance relating to the FDIC's consideration of the competitive factors in a proposed merger transaction is contained in the FDIC's Rules and Regulations (12 C.F.R. § 303 Subpart D) and Statement of Policy on Bank Merger Transactions, which may be found at [www.fdic.gov/regulations/laws/rules/index.html](http://www.fdic.gov/regulations/laws/rules/index.html).

#### I. Delineation of the relevant geographic market(s).

The relevant geographic market includes the areas in which the offices to be acquired are located and from which those offices derive the predominant portion of their loans, deposits, or other business. The relevant geographic market also includes the areas where existing and potential customers impacted by the proposed merger transaction may practically turn for alternative sources of banking services.

- a. Prepare schedules for the applicant institution and target institution showing the total number of accounts and total dollar volume of deposits<sup>3</sup> for each municipality or census tract, where applicable, according to the recorded address of the depositor (do not submit supporting data). Small amounts may be aggregated and identified as "other." *If the applicant institution is a multi-office institution, the applicant institution deposit information should be provided only for those offices within or proximate to the area(s) described below under paragraph (b).*
- b. Identify those areas where existing and potential customers of the offices to be acquired may practically turn for alternative sources of banking services. If consideration of the availability of such alternative banking services results in a market area considerably different from that indicated by the sources of deposits, discuss and provide necessary supporting information.
- c. Using the information collected in paragraphs (a) and (b), provide a narrative description of the delineated relevant geographic market(s).
- d. Provide any additional information necessary to support the delineated relevant geographic market(s). Supporting information may include relevant demographic information, locations of major employers, retail trade statistics, and/or information on traffic patterns. *Applicants should consult with the applicable FDIC Regional Office in determining whether additional information is necessary.*

The relevant geographic market includes the areas in which the offices to be acquired are located and the areas from which those offices derive the predominant portion of their loans, deposits, or other business. The relevant geographic market also includes the areas where existing and potential customers impacted by the proposed merger transaction may practically turn for alternative sources of banking services. Unified Bank and First National have identified the Wheeling WV Federal Reserve Banking Market (the "Wheeling Market") as the relevant geographic market for purposes of the proposed transaction. The Wheeling Market includes the West Virginia counties of Marshall and Ohio, and the Ohio county of Belmont. First National's sole banking office is located in the Belmont County community of Powhatan Point. In addition, Unified Bank operates 5 of its 18 full service banking offices in the Wheeling Market, as well as one loan production office. Overall, there are currently a total of 16 depository institutions operating in the Wheeling Market, of which 14 are commercial banking organizations and 2 are thrift organizations. An HHI Deposit Analysis which demonstrates the competitive impact of the proposed transaction on the Wheeling Market is attached as **Exhibit D**.

#### II. Competition in the relevant geographic market(s).

- a. Prepare a schedule of participating and competing banking institutions' offices, divided into three sections:
  - (i) Applicant institution's offices within or proximate to the relevant geographic market(s);

(ii) Target institution's offices within or proximate to the relevant geographic market(s); and

(iii) Competitor banking offices located or competing within the delineated relevant geographic market(s).

<sup>3</sup> In most cases, total deposits will serve as an adequate proxy for the overall share of banking business in the relevant geographic market area; however, other analytical proxies may be appropriate in certain cases (for example, a merger transaction involving trust companies).

To the extent known, also include banking offices approved but not yet open.

For each office listed in paragraph (a), provide the street address; total deposits as reported in the most recent FDIC Summary of Deposits Data Book ([www2.fdic.gov/sod/index.asp](http://www2.fdic.gov/sod/index.asp)); and distance and general direction from the nearest office of the applicant and target institution. In cases where the delineated relevant geographic market includes a significant portion of a larger metropolitan area, provide only a listing of financial institutions and the aggregate total deposits of all offices operated by each within the delineated relevant geographic market(s).

The table below indicates the shortest approximate driving distance from a Unified Bank Branch Office to a First National Branch Offices in the Wheeling Market. Please refer to **Exhibit D** for information regarding competitor banking institutions competing in the relevant geographic markets.

Name and Location of Banking Office	Total Deposits (\$000)*	Approximate Driving Distance From Nearest Office (in miles)	
		Applicant Institution	Target Institution
<b>Applicant Locations in RGM</b>			
Bridgeport Branch Office 325 Howard Street Bridgeport, OH 43912	████████	NA	18.1 miles
Colerain Branch Office 72541 Sharon Road Colerain, OH 43916	████████	NA	24.7 miles
Martins Ferry Main Office 201 S Fourth St Martins Ferry, OH 43935	████████	NA	20.3 miles
Saint Clairsville Branch – Stewart Dr. 68400 Stewart Dr Saint Clairsville, OH 43950	████████	NA	24.6 miles
Saint Clairsville Branch – Plaza Dr. 100 Plaza Drive Saint Clairsville, OH 43950	████████	NA	27.6 miles
<b>Target Office in RGM</b>			
Powhatan Point Main Office 345 Highway 7 North Powhatan Point, OH 43942	████████	18.1 miles	NA

\* Deposits as of June 30, 2017

Discuss the extent and intensity of competition in the delineated relevant geographic market(s) provided by nonbank institutions, such as other depository institutions (for example, credit unions) and nondepository institutions (for example, finance companies or government agencies). For those institutions regarded as competing in the delineated relevant geographic market(s), provide name, address, and services supplied.

Competition in the relevant geographic market from non-bank and non-thrift depository institutions, as well as from non-depository institutions, is minimal.

## OHIO DIVISION OF FINANCIAL INSTITUTIONS

### Supplement to Interagency Merger Application

An Ohio-chartered financial institution ("Applicant") should provide the following supplemental information to the Division of Financial Institutions ("the Division") if it proposes to:

- ◆ merge or consolidate with another financial institution (bank, savings bank, or savings and loan association) and the resulting institution will be state chartered [O.R.C. §1115.11, 1151.60, or 1161.76]; or
- ◆ acquire, by means of a transfer of assets and liabilities, assets having a value of more than 50 percent of the total assets of the Applicant at the time of the transfer [O.R.C. §1115.14(B)].

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23. If the transaction is a merger, provide a Certificate of Merger to satisfy the requirements of §1701.81 of the Ohio Revised Code and a check, payable to the Ohio Secretary of State, for the filing fee. The fee is \$99 unless the number of authorized shares of the resulting institution will increase, in which case the fee may be higher. If the resultant institution is Ohio-chartered, any amendments to its Articles of Incorporation must be attached to the Certificate of Merger.

The form of Certificate of Merger in connection with the merger of First National with and into Unified Bank is attached hereto as **Ohio Exhibit 1**. The Merger will not result in any amendments to the Articles of Incorporation of Unified Bank.

24. If the transaction involves the transfer of assets and liabilities and the transferring institution is state chartered and will not continue in operation after the transaction, provide documents to dissolve the Ohio corporate charter of the transferring institution pursuant to §1701.86 of the Ohio Revised Code.

Not applicable.

25. Provide an officers' certification that the transaction has been approved by the directors and shareholders of each constituent corporation in accordance with all applicable state or federal laws and the articles of incorporation/association, code of regulations/ constitution, and bylaws of the parties to the reorganization.

The required certifications of officers of the Applicant and the Target Institution are attached hereto as **Ohio Exhibit 2**.

26. If any constituent institution is currently authorized to conduct trust business, describe how the reorganization will affect these activities. A trust application must be filed by the Applicant if the reorganization includes a transfer of trust accounts and the Applicant is not currently authorized to conduct a trust business. [O.R.C. §1111.06 or §1151.348]

Not applicable.

27. Provide draft copies of the notice of meeting of shareholders/members, proxy solicitation materials, and offering circular/prospectus/registration statement, as applicable, of any constituent institution that is state chartered and not wholly owned by a holding company.

Not applicable. Both constituent institutions are wholly owned subsidiaries of registered bank holding companies.

28. If Applicant; any affiliate of Applicant; any executive officer, director, attorney, or auditor of Applicant; or any person that owns (directly or indirectly) 10 percent or more of the outstanding shares of any class of Applicant currently owns or has an option to purchase any shares of the other constituent financial institutions(s), state that person's name and position, number and class of shares, date acquired, and percentage of ownership in the other constituent institution.

Not applicable.

29. If the reorganization will result in the ownership of greater than 10 percent of the total number of outstanding shares of the resulting institution by any person, state the name of that person, his or her relationship with the constituent institutions, the number of shares to be owned, and the percentage this number represents of the total outstanding shares of the resulting institution. Such a person may be required to submit a change of control application pursuant to §1115.06, 1151.66, or 1161.78 of the Ohio Revised Code.

Not applicable.

30. Provide a copy of the code of regulations or constitution of the resulting institution.

A copy of the code of regulations of Unified Bank is attached hereto as Ohio Exhibit 3.

#### **Publication**

If the Applicant is a state-chartered bank, it must publish notice of the reorganization within two weeks after consummation of the transaction in newspapers of general circulation in the counties in which the principal office of each constituent institution is located pursuant to §1115.18 of the Ohio Revised Code. A copy of the publication, showing the date and newspaper of publication, must be submitted to the Division within 30 days of publication.

A copy of each notice will be submitted to the Division within 30 days of publication.

#### **Interim Charter**

If an interim institution will be chartered pursuant to §1115.23, 1151.091, or 1161.13 of the Ohio Revised Code to facilitate the creation of a holding company or the acquisition of an operating financial institution by an existing holding company, the Articles of Incorporation of the interim institution (see attached sample) must accompany the application. The fee for filing the Articles with the Secretary of State is set forth in Ohio Revised Code §111.16 and will be determined after the application has been accepted for filing.

A reorganization with an interim institution involves a two-step process whereby the interim institution is formed and subsequently undergoes a reorganization with an operating institution. The interim institution must have at least one incorporator, which may be a corporation, and its paid-in capital and surplus must satisfy any applicable statutory requirements. Prior to the consummation of the reorganization, the activities of the interim institution must be limited to those associated with its establishment and subsequent reorganization. If the operations, market area, management, directorate or other characteristics of the resulting institution will differ materially from those of the operating institution, such differences must be fully explained in the application. The board of directors and shareholders of the interim and operating institutions must approve the reorganization agreement and related documents.

Not applicable.