

United Community Financial Corp. (NASDAQ: UCFC; Youngstown, OH) has agreed to merge with First Defiance Financial Corp. (NASDAQ: FDEF; Defiance, OH)

Deal Value: Approximately \$473 Million

Sandler O'Neill acted as financial advisor and rendered a fairness opinion to United Community Financial Corp. in this transaction. This transaction represents Sandler O'Neill's 236th bank or thrift transaction nationwide since January 1, 2015 representing \$69.0 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate transaction value than any other investment bank during that time period.¹

Since January 1, 2015, Sandler O'Neill has advised on 53 bank or thrift transactions in the Midwest, representing approximately \$21.2 billion in aggregate transaction value, more than any other investment bank during that time period.¹

DEFIANCE and YOUNGSTOWN, OH, September 9, 2019. First Defiance Financial Corp (Nasdaq: FDEF) ("First Defiance") and United Community Financial Corp. (Nasdaq: UCFC) ("United Community") announced today the signing of a definitive merger agreement under which United Community will merge into First Defiance in a stock-for-stock transaction. Home Savings Bank, a wholly owned subsidiary of United Community, will merge into First Federal Bank of the Midwest, a wholly owned subsidiary of First Defiance. Under the terms of the merger agreement, shareholders of United Community will receive 0.3715 shares of First Defiance common stock for each share of United Community common stock. Based upon a closing price for First Defiance as of September 6, 2019 of \$26.32, the transaction is valued at approximately \$473 million. Upon closing, First Defiance shareholders will own approximately 52.5% of the combined company and United Community shareholders will own approximately 47.5%.

"After a long relationship between the two companies, we are thrilled to bring together these two great Ohio community bank franchises. These organizations are a perfect strategic fit, balancing the strengths of each. With enhanced scale, we will have the opportunity to continue to grow and compete more effectively in all the markets we serve for the foreseeable future," said Donald P. Hileman, President and Chief Executive Officer of First Defiance.

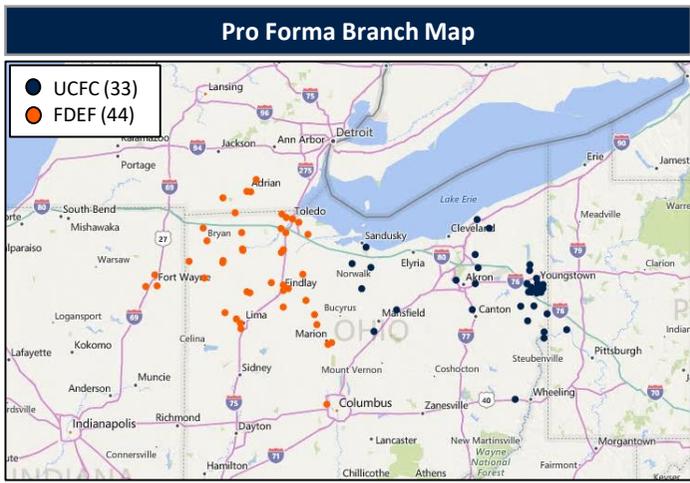
"We are pleased to partner with a company that has a shared community-minded vision, culture and focus on performance," said Gary M. Small, President and Chief Executive Officer of United Community. "I truly believe that this merger is a win-win for all stakeholders: customers, associates, shareholders as well as the communities we serve."

As part of the merger, both CEOs will play critical roles in leading the integration of the companies. Once the merger is complete, Donald P. Hileman will serve as the Chief Executive Officer of the holding company and the bank before transitioning to an Executive Chairman role in early 2021. Gary M. Small will assume the role of President of the holding company and the bank before transitioning to the Chief Executive Officer role when Mr. Hileman becomes Executive Chairman. Together they will lead the company and partner on overall strategy, management and performance of the company. In addition to these roles, the executive management team and employees of the combined company will continue to provide an unsurpassed customer-focused culture. The Board of Directors of the combined company will be comprised of seven members designated by First Defiance (including Mr. Hileman and its current Chairman, John Bookmyer) and six members designated by United Community (including Mr. Small and its current Chairman, Richard Schiraldi who will be named Vice Chairman). The directors of the combined company will be determined in the coming months and identified prior to the closing of the transaction.

The transaction is expected to close early in the first quarter of 2020, subject to the approval of shareholders of both First Defiance and United Community and regulatory approvals, as well as satisfaction or waiver of other customary closing conditions. The combined company will operate under a name to be jointly determined prior to closing and the holding company will be headquartered in Defiance, Ohio with the bank headquartered in Youngstown, Ohio.

Financial Highlights		
(Dollars in millions)	FDEF	UCFC
Total Assets	\$3,277.6	\$2,869.1
Total Net Loans	\$2,609.8	\$2,326.8
Total Deposits	\$2,680.6	\$2,259.2
Total Equity	\$407.2	\$317.6
TCE / TA	9.60%	10.32%

(1) Majority and minority transactions; Excludes terminated transactions and self-advisory roles
 Note: Financial data as of June 30, 2019
 Source: S&P Global Market Intelligence, Company documents, Press Release



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