

CAPITAL MARKETS ANNOUNCEMENT

United Community Financial Corp. (NASDAQ: UCFC; Youngstown, OH) Closes \$39.9 Million Private Placement of Common Stock and Preferred Stock

Sandler O'Neill + Partners L.P. served as sole placement agent for this transaction.

This transaction represents the 216th public offering or private placement of common or preferred stock for a bank or thrift since January 1, 2009 for which Sandler O'Neill acted as book manager, co-manager or placement agent, more than any other investment bank during that period. These transactions have raised over \$55 billion for our clients.¹

About the Offering:

On March 22, 2013, United Community Financial Corp. completed a \$39.9 million private placement. The offering was comprised of approximately \$18.1 million of common shares and approximately \$21.8 million of preferred shares. In total, investors purchased 6,574,272 newly issued United Community common shares at a purchase price of \$2.75 per share and 7,942 Series A Preferred Shares at a purchase price of \$2,750 per share.

The private offering was the first part of a series of transactions in which the Company intends to raise a total of \$47.0 million. The Company has also entered into Subscription Agreements to issue approximately \$2.1 million in common shares to the Company's directors, officers and affiliates, and the Company also intends to commence a rights offering of approximately \$5.0 million to existing shareholders. Both offerings will be at the same common share purchase price of \$2.75.

The Company intends to conduct a Special Meeting of shareholders, at which time it will seek shareholder approval of both the conversion of the convertible preferred shares into common shares and the purchase of common shares by the directors, officers and affiliates.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:

United Community Financial Corp. is the \$1.8 billion asset parent company of Home Savings and Loan Company of Youngstown, a savings bank that operates 33 full-service banking offices and eight loan production offices located throughout Ohio and western Pennsylvania.

(1) Source: SNL Financial

December 31, 2012

\$39.9 Million
Common Stock and
Preferred Stock



UNITED COMMUNITY
FINANCIAL CORP.

Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights

(Dollars in thousands)

Total Assets	\$1,808,365
Net Loans	\$1,079,271
Total Deposits	\$1,462,074
Total Equity	\$170,760
TCE / TA	9.43%
Tier 1 Capital Ratio	8.70%
Total Risk-Based Capital Ratio	16.21%

Note: Financial data as of 12/31/12

Source: SNL Financial

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