



UNITED COMMUNITY
FINANCIAL CORP.

Investor Presentation
September 10, 2009

Forward-Looking Statement Disclosure

To the extent that this presentation or the presenters discuss expectations about future financial results or market conditions or otherwise make statements about the future, such statements are forward-looking and are based on the Company's current beliefs, expectations, forecasts or projections. Actual results may differ materially from our statements due to a number of risks and uncertainties, including those described in the Company's Form 10-K for the year ended December 31, 2008 and subsequent filings. Please refer to these SEC documents for a complete list of risk factors.

Overview

United Community Financial Corp.
NASDAQ: UCFC

**The Home Savings
and Loan Company
of Youngstown,
Ohio**

39 Full Service
Branches

6 Loan Production
Offices

Operations

— MARKET AREAS —

■ **HOME SAVINGS**

OHIO

Ashland
Aurora
Austintown
Beachwood
Bellevue

Boardman
Canfield
Canton
Chagrin Falls
Chardon

Clyde
Columbiana
Columbus
East Liverpool
East Palestine

Findlay
Fremont
Lexington
Lisbon
McDonald

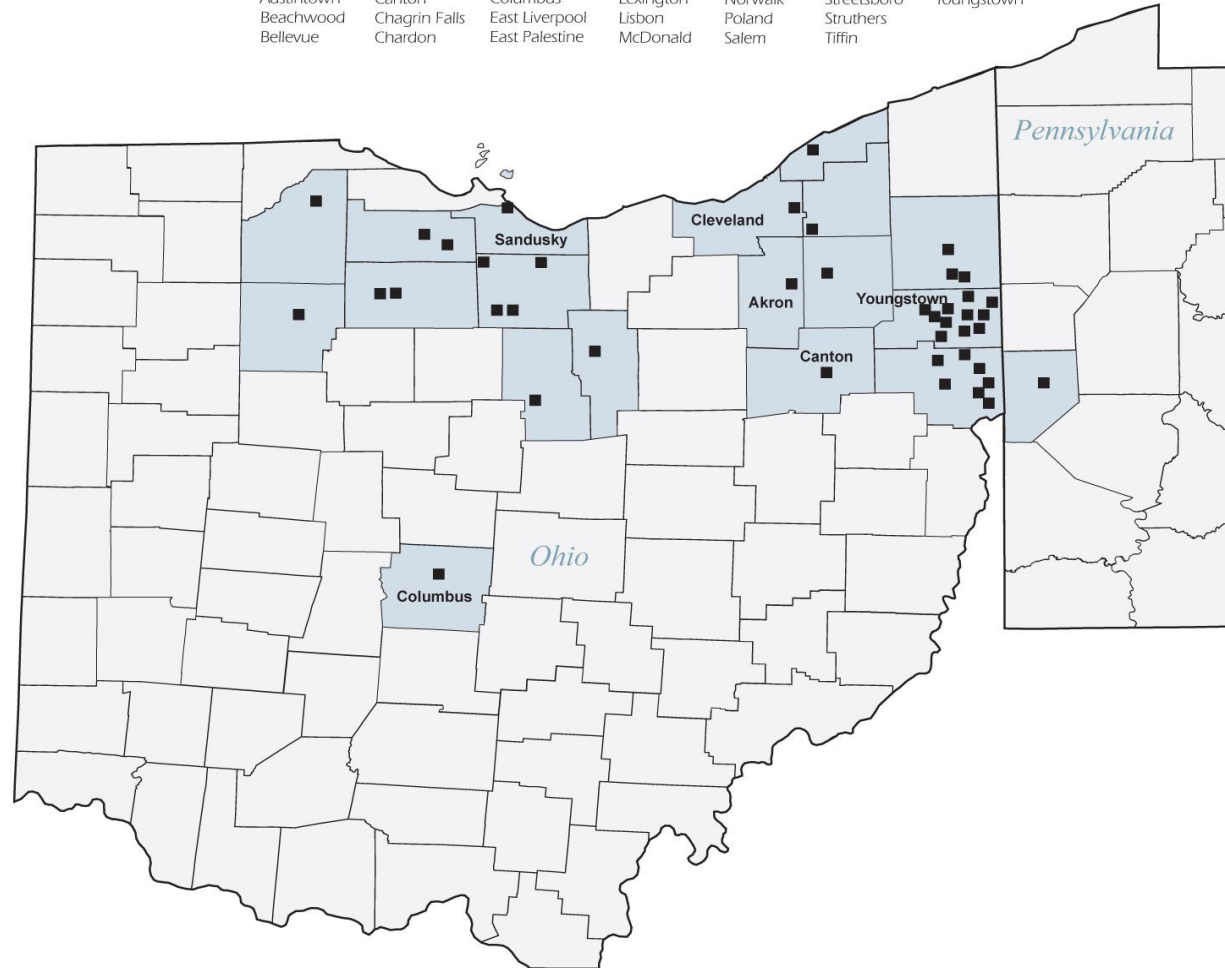
Mentor
Niles
Norwalk
Poland
Salem

Sandusky
Stow
Streetsboro
Struthers
Tiffin

Warren
Willard
Youngstown

PENNSYLVANIA

Beaver



Investment Highlights

Founded: 1889 (Home Savings)

IPO: 1998

NASDAQ: UCFC

Shares Outstanding: 30,898,000

Average Daily Volume: approximately 60-80,000 shares

Summary statistics (quarter ended June 30, 2009)

- Total Assets: \$2.5 billion
- Total Net Loans: \$2.0 billion
- Total Deposits: \$1.8 billion

Investment highlights (quarter ended June 30, 2009)

- Nonaccrual loans reduced by \$5.1 million during the quarter
- Net interest margin increased to 3.12% for the quarter
- Capital ratios increased to 8.50% (Tier 1 Leverage) and 12.76% (Total Risk-Based Capital)
- Tangible book Value was \$7.57 per share

Stock Ownership

Ownership:

	<u>Shares held</u>	<u>% of Outstanding</u>
Management	843,079	2.7%
Institutional Ownership		
Dimensional Fund Advisors	2,501,384	8.1 %
Farmers Trust Company	1,260,964	4.1 %
Vanguard Group	538,887	1.8 %
Barclays Global Investors	535,428	1.7 %
Goldman Sachs	321,467	1.2 %

Market Makers:

The following firms presently make a market in United Community Financial Corp. stock on the NASDAQ ⁽¹⁾

Knight Equity Markets, L.P.
 Citadel Derivatives Group LLC
 Citigroup Global Markets Inc.
 UBS Securities LLC

Note: 1. Source: Bloomberg

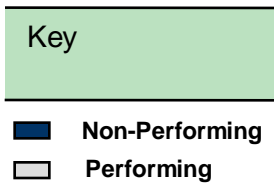
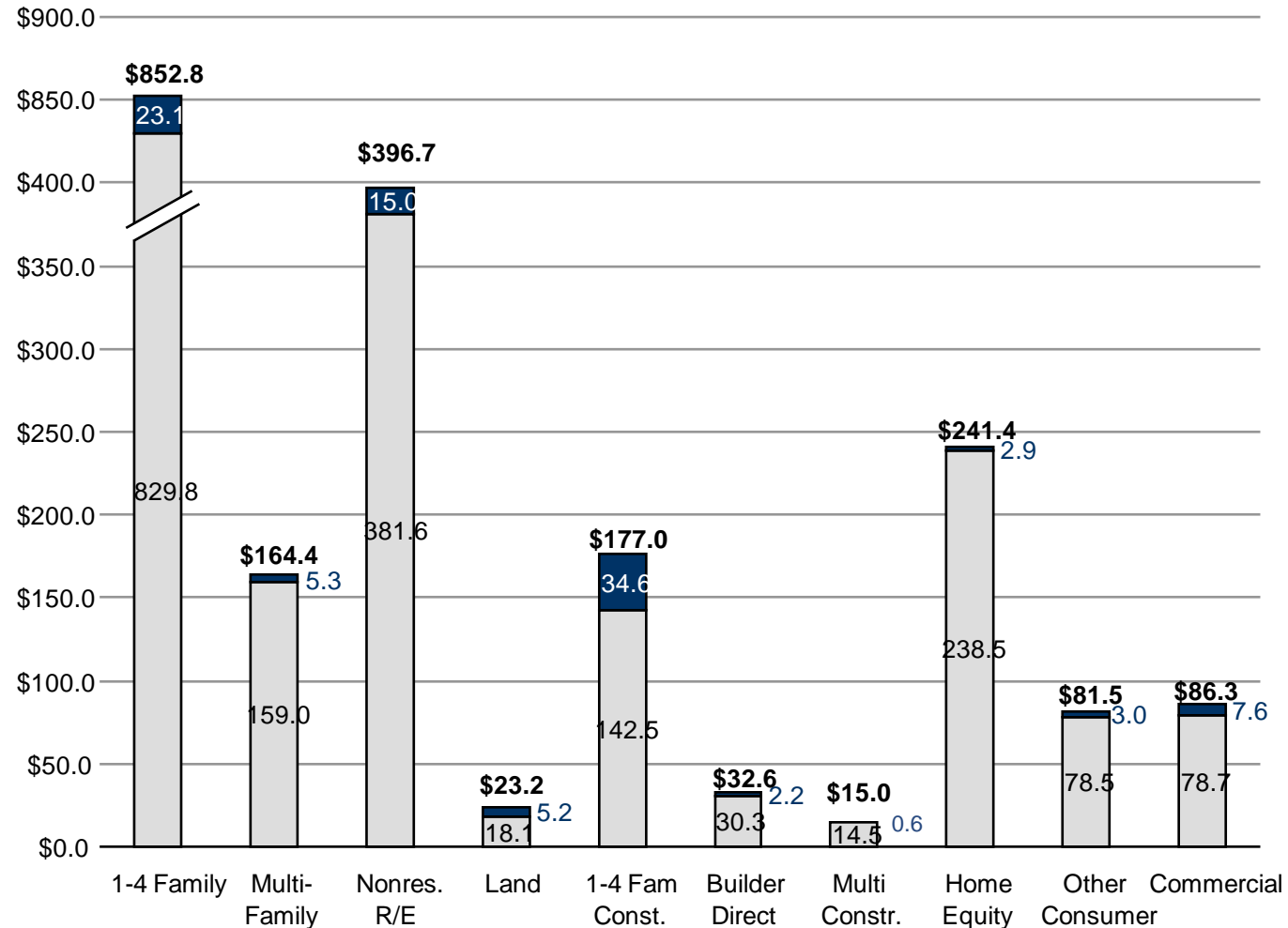
Balance Sheet

(Dollars in thousands)

	As of June 30, 2009	As of December 31, 2008
<u>Assets</u>		
Cash and cash equivalents	\$ 44,660	\$ 43,417
Securities	255,845	215,731
Loans, net	2,032,404	2,203,453
Loans held for sale	14,057	16,032
Real estate owned/other repossessed assets	33,077	29,258
Premises and equipment	24,258	25,015
Cash surrender value of life insurance	25,611	25,090
Other assets	57,143	60,077
Total Assets	<u>\$2,487,055</u>	<u>\$2,618,073</u>
<u>Liabilities and Stockholders' Equity</u>		
Deposits	\$1,828,214	\$1,885,931
FHLB Advances and Other Borrowings	391,404	462,872
Other Liabilities	32,824	31,959
Total Liabilities	<u>2,252,442</u>	<u>2,383,150</u>
Total Stockholders' Equity	<u>234,613</u>	<u>234,923</u>
Total Liabilities and Stockholders' Equity	<u>\$2,487,055</u>	<u>\$2,618,073</u>

Nonperforming Loans Analysis

Nonperforming Loans by Loan Type
(\$MM)



Source: Company Documents. Financial information as of June 30, 2009

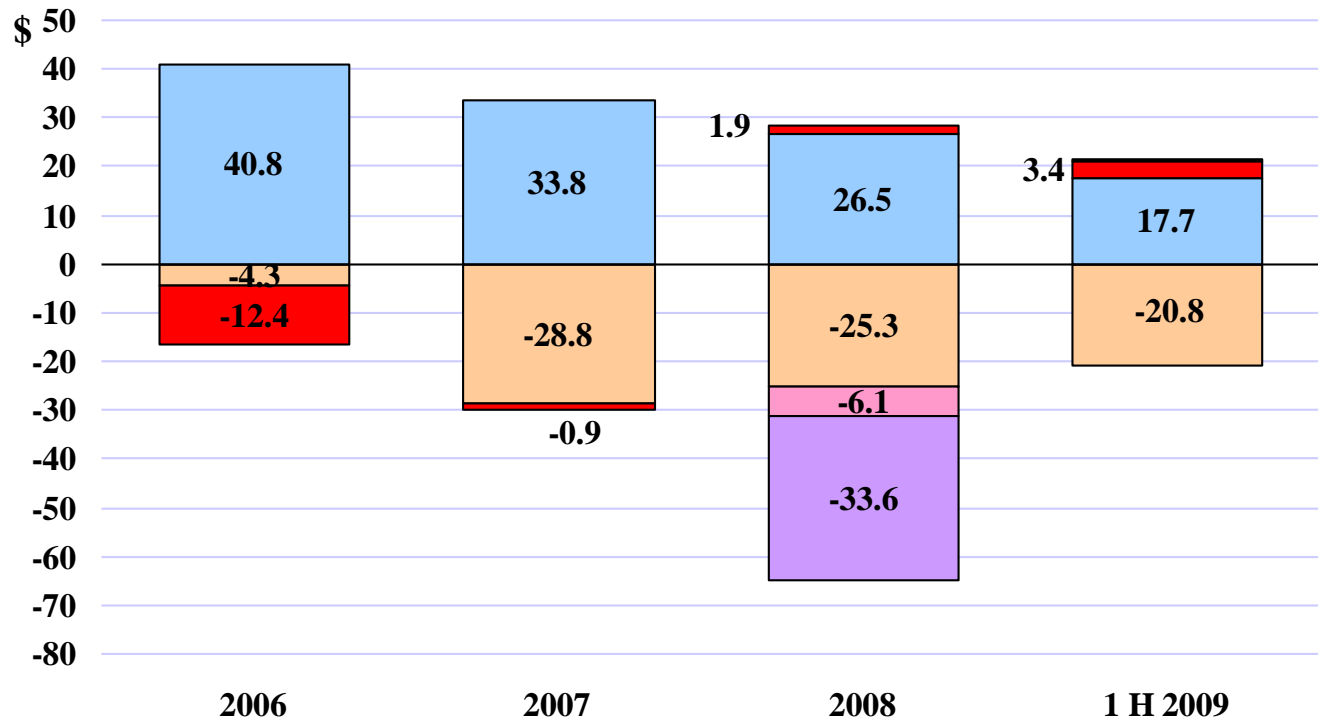
Holding Company Debt

- United Community has completely eliminated its holding company debt
 - At the beginning of 2008, UCFC owed a total of \$36.3MM to a large Wall Street bank
 - In early 2008, the Company paid down \$21.4MM of this debt
 - In the fourth quarter of 2008, the Company sold its broker/dealer subsidiary, and used the proceeds to pay off another \$8.0MM of the debt
 - In the first quarter of 2009, the Company sold its trust subsidiary, and used the proceeds to pay off the remaining debt

Review of Financial Performance

UCFC Earnings Analysis ⁽¹⁾

Net Income (\$MM)	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>1 H 2009</u>
	\$24.1	\$4.1	\$(35.3)	\$0.4



Key

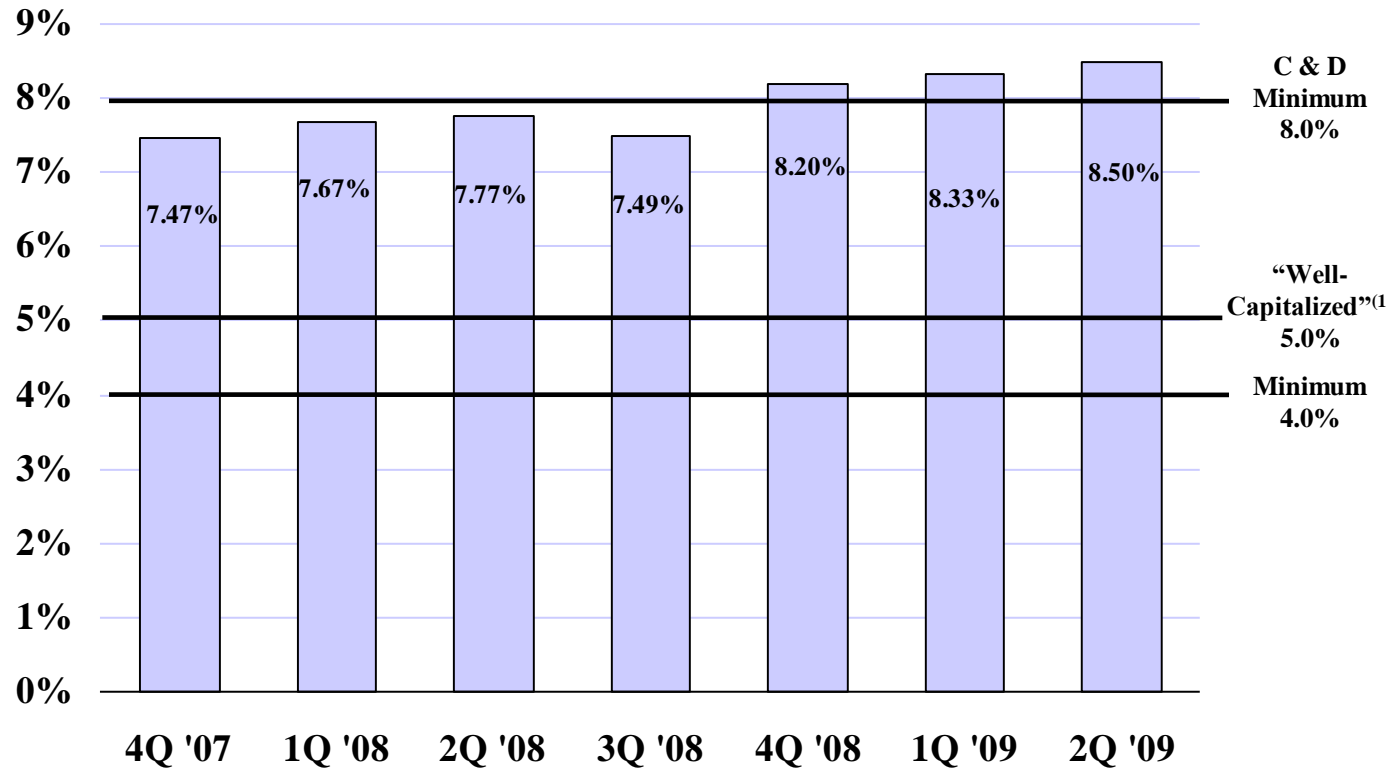
- Earnings prior to tax, provision and other items
- Provision expense
- Securities charge
- Goodwill charge
- Income tax

Note: 1. The table above contains certain financial information determined to be a presentation not in accordance with GAAP. We have provided information about significant events that occurred during the period because we believe this information is useful to both investors and management and aids in the overall understanding of their impact on the Company's overall performance. Users should consider this financial information a supplementary tool for analysis purposes and not substitute it for GAAP net income.

Review of Financial Performance (cont.)

Capital Adequacy at Home Savings

Tier 1 Leverage Ratio (Core Capital / Average Assets)

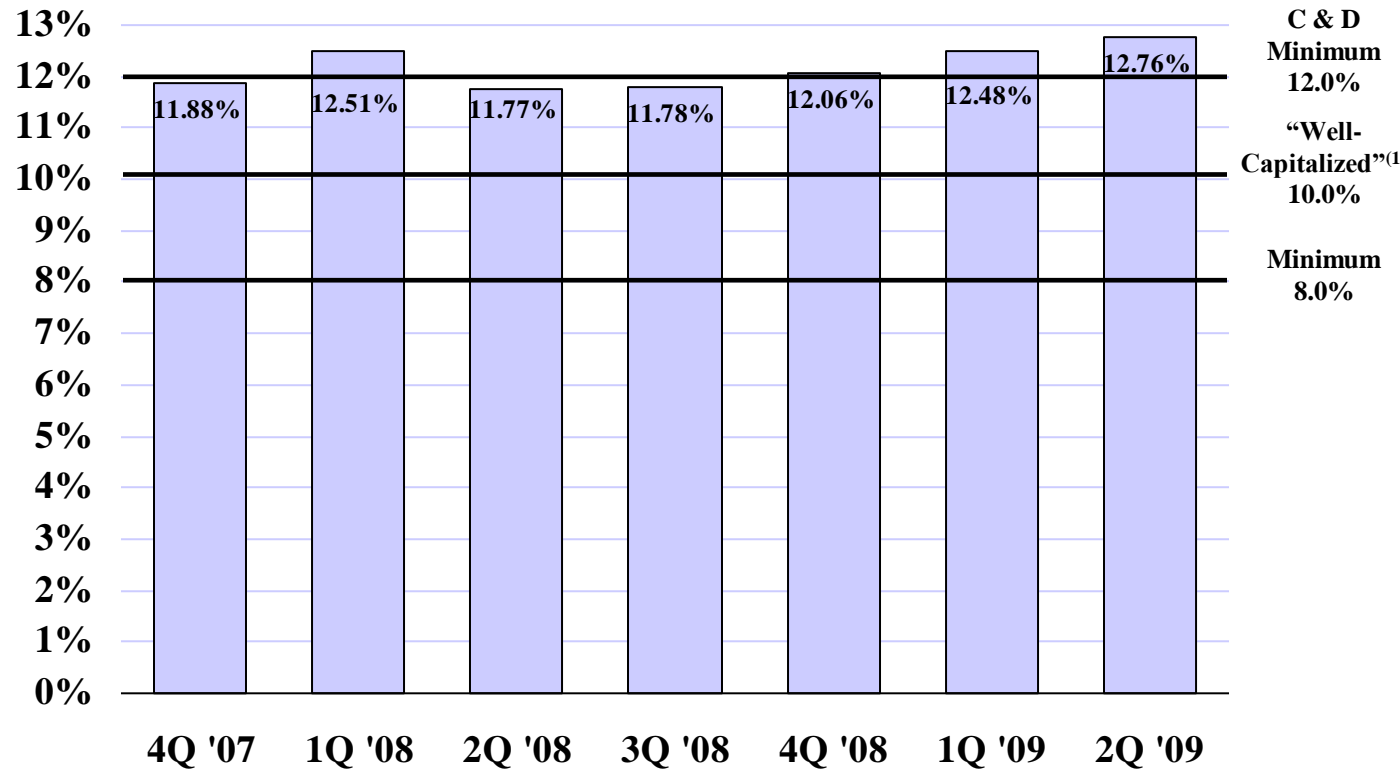


Note: 1. Home Savings has been deemed adequately capitalized for regulatory purposes

Review of Financial Performance (cont.)

Capital Adequacy at Home Savings

Total Risk-Based Capital to Risk-Weighted Assets

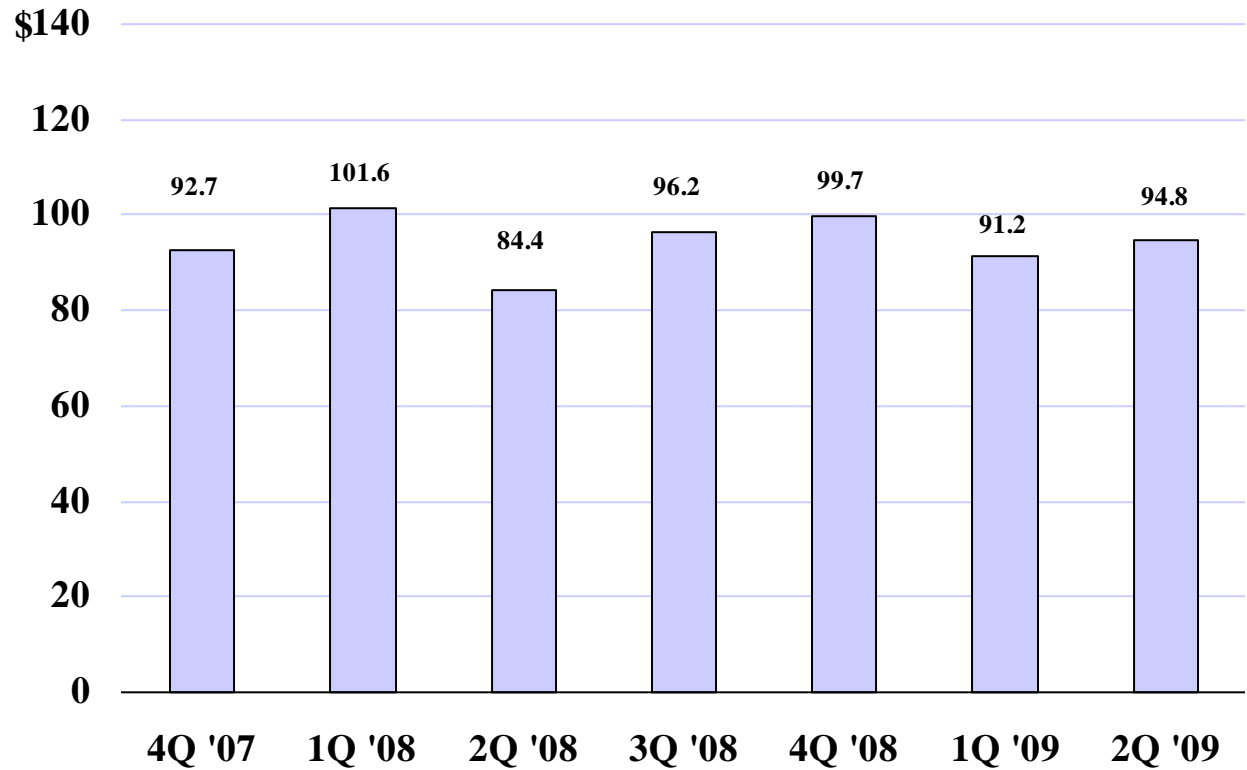


Note: 1. Home Savings has been deemed adequately capitalized for regulatory purposes

Review of Financial Performance (cont.)

Asset Quality

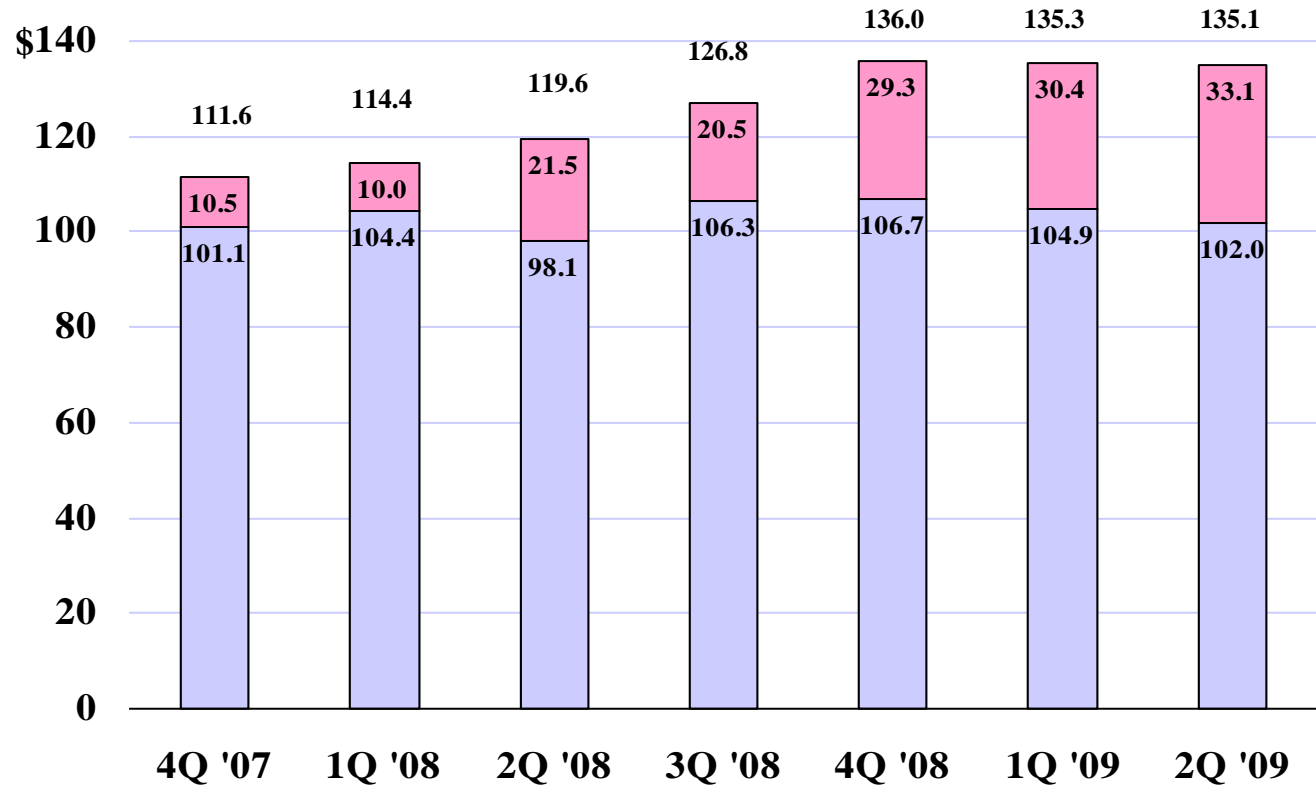
Delinquency Trend (90+ Days Past Due)
(\$MM)



Review of Financial Performance (cont.)

Asset Quality

Nonperforming Assets Trend
(\$MM)



Key

 OREO & repossessed assets

 Nonperforming loans

Recent Management Changes

- There have been a number of management changes at United Community and Home Savings
 - In May of 2008, the company hired James Reske as CFO and Treasurer of both United Community and Home Savings
 - In April of 2009, Home Savings announced the promotion of Patrick Bevack from President and COO to President and CEO
 - Home Savings added a new Chief Lending Officer in April of 2009
 - Home Savings added a new Chief Credit Officer in June of 2009, and appointed a new head of REO
 - Home Savings appointed a new Chief Risk Officer in July of 2009
 - United Community appointed a new General Counsel in July of 2009

Our Strategic Goals

Goals	Comments
Retrench	▪ Contract and conserve
Endure	▪ Weather the storm
Recover	▪ Regain health and strength
Rebuild	▪ Develop a company better able to withstand risk: credit, interest rate, liquidity, economic, legislative and reputational
Thrive	▪ Prosper by managing growth, capital, earnings, customer satisfaction and shareholder value

Moving Ahead

- What sort of priorities are you focused on *right now*?
 - Capitalize on our strengths, control operating expenses and provide exceptional service to our customers
 - Rebuild value for shareholders in the short and long term

Management

Douglas M. McKay, Chairman, President and CEO

Mr. McKay has approximately 38 years of experience in the financial services industry. Mr. McKay has been the Chairman of the Board and Chief Executive Officer of United Community Financial Corp. since its inception in 1998. Mr. McKay also serves as President of UCFC. Additionally, Mr. McKay is the Chairman of the Board of The Home Savings and Loan Company.

James R. Reske, CFA, Chief Financial Officer and Treasurer

Mr. Reske joined United Community Financial Corp. in May of 2008 and serves as both Chief Financial Officer and Treasurer of UCFC and Home Savings. Prior to joining UCFC, Mr. Reske was employed by KeyBanc Capital Markets, Inc. from 2002 to May of 2008. While there, he focused on providing strategic advice to community banks and thrifts in the Midwest regarding capital structure, acquisitions, raising capital and financial management. Prior to joining KeyBanc Capital Markets, Mr. Reske was an investment banker in the financial institutions group at Morgan Stanley in New York, and practiced banking law with Wachtell Lipton Rosen & Katz and Sullivan & Cromwell.

Board of Directors

Eugenia C. Atkinson (UCFC Director since 2005; Home Savings Director since 1999)

Mrs. Atkinson was the Executive Director of Youngstown Metropolitan Housing Authority from 2000 until her retirement in 2007. Mrs. Atkinson also serves as a director of The Home Savings and Loan Company.

Richard J. Buoncore (UCFC and Home Savings Director since 2007)

Mr. Buoncore is a Certified Public Accountant and a managing partner of MAI Wealth Advisors, LLC, Cleveland, Ohio, a position he has held since December 2006. Previously, Mr. Buoncore was Managing Partner of BC Investment Partners LLC, which merged into MAI Wealth Advisors, a position he had held since 2005. From 1999 until 2005, he was the Chief Executive Officer of Victory Capital Management, Cleveland, Ohio, and served as its President and Chief Operating Officer from 1995 until 1999. Mr. Buoncore also serves as a director of The Home Savings and Loan Company.

Scott N. Crewson (UCFC and Home Savings Director since 2009)

Mr. Crewson retired from BP in 2008, after having served the company over 27 years in a variety of executive level positions, including most recently that of Deputy Director, Business Development in London England. He joined the UCFC and Home Savings Boards of Directors in 2009.

Judge Scott D. Hunter (UCFC and Home Savings Director since 2009)

Judge Hunter currently serves as a Mahoning County Area Court Judge, Judge of the Mahoning County Misdemeanor Drug Court. He is also a managing member of Hunter-Stevens Land Title Agency, LTD and maintains a private law practice. He previously served as a partner of the Davis & Davis Law Firm. He joined the UCFC and Home Savings Boards of Directors in 2009.

Board of Directors (continued)

Richard J. Schiraldi (Director since 2002; Home Savings Director since 2005)

Mr. Schiraldi is a Certified Public Accountant and has been a partner at Cohen & Company, Certified Public Accountants, Youngstown, Ohio, since 1990. Mr. Schiraldi served as Director of Tax Operations at Cohen from 1983 until 2003. Mr. Schiraldi also serves as a director of The Home Savings and Loan Company.

Clarence R. Smith Jr. (Director since 2005; Home Savings Director since 1976)

Mr. Smith serves as Chairman of S-P Company and Subsidiaries located in Columbiana, Ohio, a position he has held since 1971. Mr. Smith also serves as a director of The Home Savings and Loan Company.

Dr. David C. Sweet (Director since 2004; Home Savings Director since 2005)

Dr. Sweet is the President of Youngstown State University, a position he has held since July 2000. Dr. Sweet also serves as a director of The Home Savings and Loan Company.

Donald J. Varner (Director since 2007; Home Savings Director since 1987)

Mr. Varner, an attorney, was United Community Financial Corp.'s Corporate Secretary from 1998 until his retirement in 2004 and a Senior Vice President of Home Savings and Loan Company from 1995 until his retirement in 2004. Prior to that time, Mr. Varner served as Home Savings' Vice President and Corporate Counsel from 1976 to 1995. Mr. Varner also serves as a director of The Home Savings and Loan Company.

United Community Financial Corp.
NASDAQ: UCFC

www.UCFCONLINE.com
www.HOMESAVINGS.com

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