

**Section 1: 8-K (8-K)**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 21, 2020

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**UNITED COMMUNITY FINANCIAL CORP.**  
(Exact name of registrant as specified in its charter)

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**OHIO**  
(State or other jurisdiction  
of incorporation)

**000-024399**  
(Commission  
File No.)

**34-1856319**  
(IRS Employer  
I.D. No.)

**275 West Federal Street, Youngstown, Ohio 44503-1203**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(330) 742-0500**

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class         | Trading Symbol(s) | Name of each exchange on which registered |
|-----------------------------|-------------------|---|
| Common shares, no par value | UCFC              | Nasdaq Global Market                      |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Section 2 – Financial Information**

Item 2.02      Results of Operation and Financial Condition

- (a)      On December 31, 2019, United Community Financial Corp. issued a press release announcing its results of operations for the fourth quarter of 2019. A copy of the press release is attached as Exhibit 99.

**Section 9 – Financial Statements and Exhibits**

Item 9.01      Financial Statements and Exhibits.

- (d)      Exhibits.

Exhibit  
Number

Description

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99

[Press Release of United Community dated December 31, 2019. Included herewith.](#)

SIGNATURES

Pursuant to 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 COMMUNITY FINANCIAL CORP.

By: /s/ Jude J. Nohra  
Jude J. Nohra  
General Counsel & Secretary

Date: January 21, 2020

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## Section 2: EX-99 (EX-99)

Exhibit 99



**UNITED COMMUNITY**  
**FINANCIAL CORP.**

275 West Federal Street  
Youngstown, Ohio 44503-1203

**FOR IMMEDIATE RELEASE**

**Media Contact:**

Kathy Bushway  
Senior Vice President, Marketing  
Home Savings  
(330) 742-0638  
[kbushway@homesavings.com](mailto:kbushway@homesavings.com)

**Investor Contact:**

Gary M. Small  
President and Chief Executive Officer  
United Community Financial Corp.  
(330) 742-0472

**UCFC ANNOUNCES RECORD RESULTS FOR THE YEAR**  
**NET INCOME \$39.5 MILLION — \$0.81 PER SHARE**  
**OR \$40.8 MILLION — \$0.84 PER SHARE ADJUSTED FOR MERGER COSTS**

Fourth quarter 2019 highlights compared with the fourth quarter of 2018:

- Net quarterly income of \$9.8 million (or \$11.2 million, excluding merger related costs, up 17.0%)
- Diluted EPS of \$0.20 (or \$0.23, excluding merger related costs, up 20.9%)
- Noninterest income \$6.8 million, up 22.6%
- Noninterest expense \$16.8 million (or \$15.4 million, excluding merger costs, down 10.2%)
- ROA of 1.36% (or 1.55%, excluding merger related costs, versus 1.36%)
- ROE of 12.03% (or 13.68%, excluding merger related costs, versus 12.15%)
- Efficiency ratio improved to 53.6% compared to 54.8%

Full year 2019 highlights compared with 2018:

- Net income of \$39.5 million (or \$40.8 million, excluding merger related costs, up 9.8%)
- Diluted EPS of \$0.81 (or \$0.84, excluding merger related costs, up 13.1%)
- Noninterest income \$26.6 million, up 13.7%
- Noninterest expense \$65.4 million (or \$64.1 million, excluding merger costs, down 1.5%)
- ROA of 1.38% (or 1.43%, excluding merger related costs, versus 1.35%)
- ROE of 12.34% (or 12.77%, excluding merger related costs, versus 12.10%)
- Efficiency ratio improved to 55.8% compared to 57.7%
- Average total loan growth 5.4%

- Average total customer deposit growth 7.5%

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YOUNGSTOWN, Ohio (January 21, 2020) – United Community Financial Corp. (Company) (NASDAQ: UCFC), parent company of Home Savings Bank (Home Savings), announced today that net income for the quarter ended December 31, 2019, was \$9.8 million, up 2.8% from the \$9.6 million reported for the quarter ended December 31, 2018. Fourth quarter diluted earnings per share increased 6.3% to \$0.20 from \$0.19 per share reported at the same time last year. These results included \$1.4 million of merger costs related to the previously announced merger with First Defiance Financial Corp. Excluding these acquisition costs, the Company's adjusted net income (non-GAAP) was \$11.2 million, up 17.0% and diluted earnings per share were \$0.23 per share, up 20.9% for the quarter ending December 31, 2019 when compared to the same quarter last year.

Net income for the twelve months ended December 31, 2019 totaled \$39.5 million, up 6.2% from the \$37.2 million reported for the twelve months ended December 31, 2018. For the same time period, diluted earnings per share increased to \$0.81, up 9.3% from the \$0.74 per share previously reported in the prior year. Excluding the \$1.4 million in merger costs (after-tax), adjusted net income (non-GAAP) for the twelve months ended December 31, 2019 was \$40.8 million up 9.8%, or \$0.84 per diluted share or 13.1% when compared to the prior year.

Gary M. Small, President and Chief Executive Officer of the Company, commented, "The year 2019 proved to be a challenging yet gratifying period for Home Savings. Our team took the steps necessary to overcome the difficulties presented by a tumultuous year for net interest margin management and a very active loan prepayment environment."

Small continued, "The organization set record levels of commercial and residential new business production, delivered exceptional fee income growth across all business lines, and drove strong deposit growth. As a result we posted excellent financial results ... our best earnings on record."

Concluding, "I am very proud of the efforts of all of our associates. Thanks to their hard work, we remain right on track regarding our pending merger with First Defiance and we look forward to an exciting and successful 2020 with our new partners."

### **Strong Loan and Deposit Growth**

Total average loans grew \$119.2 million (including loans held for sale), or 5.4%, during the last twelve months and \$90.6 million, or 4.0% when compared to the same quarter last year. At December 31, 2019, total net loans (including loans held for sale) aggregated \$2.4 billion.

The increase in total loans for the period was driven by an increase in commercial loans, which grew \$51.4 million, or 5.5%, over the last twelve months. Mortgage loans (including loans held for sale) increased \$14.7 million, or 1.4%, over the previous twelve months. Consumer loan growth amounted to \$9.2 million, or 3.4%, for the same time period.

Average customer deposits (which exclude brokered certificates of deposit) increased \$142.7 million, or 7.5%, from December 31, 2018. During that same time period total business deposits increased \$69.1 million, or 26.6%. Average non-interest bearing accounts increased \$43.9 million or 10.4% while average non-interest bearing business deposits increased \$27.1 million or 13.4% during the same time period.

### **Net Interest Income and Margin**

Net interest income totaled \$21.8 million on a fully taxable equivalent (FTE) basis for the quarter ended December 31, 2019 compared to \$23.6 million for the quarter ended December 31, 2018. The fourth quarter of 2018 included the impact of the favorable resolution of an impaired loan that added approximately \$1.1 million to loan income during that quarter.

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The net interest margin on an FTE basis was 3.22% for the fourth quarter of 2019 compared to 3.58% in the fourth quarter of 2018. Excluding the 16 basis point impact of the aforementioned resolution of an impaired loan, the net interest margin declined 20 basis points. Of this, 5 basis points were from reduced purchase accounting accretion, while the remainder of the decline reflects the near term impact of multiple rate reductions by the Federal Reserve in 2019.

For the full year 2019, the net interest margin was 3.28% compared to 3.43% for the full year 2018. Excluding the income impact of the loan resolution, calendar year 2018 net interest margin would have been 3.39%. Of the 11 basis point reduction 3 basis points were from reduced purchase accounting accretion, and the remaining 8 basis points of the decline can be attributed to the fall in interest rates in 2019.

#### **Asset Quality Remains Strong**

Asset quality remained strong during the fourth quarter despite movement in nonperforming loans. At December 31, 2019, nonperforming loans aggregated \$12.9 million compared to \$6.5 million at the end of the same quarter in the previous year. The Company's level of nonperforming loans increased primarily as a result of a single credit. The allowance for loan losses at the end of the quarter, as a percent of nonperforming loans was 149.6%. The allowance for loan losses as a percent of loans totaled 0.86% at December 31, 2019 compared to 0.93% the same quarter last year.

The Company recognized a negative provision for loan losses of \$422,000 for the fourth quarter of 2019, compared to a provision of \$178,000 in the fourth quarter of 2018. The decline in provision is a result of decreased loan balances in the fourth quarter of 2019, quarterly realignment of factors and the resolution of one credit with a specific reserve. For the year, the provision totaled \$290,000 compared to \$699,000 the previous year. Net charge offs to average loans were 6.6 basis points for the year ended December 31, 2019.

#### **Non-Interest Income**

Non-interest income increased 22.6%, or \$1.3 million to \$6.9 million for the fourth quarter of 2019 compared to \$5.6 million for the same quarter last year. The primary drivers for the increase are mortgage banking income (gain on sale) of \$686,000 and an increase of \$356,000 in the value of mortgage servicing rights along with a \$260,000 improvement in security sales. These gains were offset by an increase in the amortization of mortgage servicing rights of \$427,000.

The increase in mortgage banking income was primarily driven by increased saleable volumes when comparing the fourth quarter of 2019 to the fourth quarter of 2018. The drop in interest rates resulting in increased refinance activity is the primary driver for the increased volume.

For the full year 2019, non-interest income increased 13.7%, or \$3.2 million to \$26.6 million compared to \$23.4 million for calendar year 2018. The primary reason for this is an increase in mortgage banking income (gain on sale) of \$3.5 million along with increased mortgage servicing fees of \$289,000. Also adding to the increase was \$578,000 from improvement in security gains, along with an 11.6% increase in insurance income and 9.9% increase in investment management fees. This was offset by an increase in mortgage servicing rights amortization of \$608,000 and a negative mortgage servicing rights valuation adjustment of \$1,457,000. The increase in mortgage banking income was primarily driven by an increase in saleable loan volumes of 24.1% and in increase in the gain on sale margin of 43 basis points.

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### **Non-Interest Expense**

Non-interest expense was \$15.4 million (excluding merger costs) for the fourth quarter of 2019 compared to \$17.2 million for the similar quarter last year, a decrease of \$1.8 million, or 10.2%. The fourth quarter of 2018 includes a prepayment penalty of \$937,000 for the early extinguishment of Federal Home Loan Bank debt. Excluding this expense non-interest expense was down 4.8%. Non-interest expense for the year was \$64.1 million (excluding merger costs). When compared to the prior year of \$65.1 million, expenses were down 1.5%. When excluding the Federal Home Loan Bank prepayment penalty expenses year over year remained flat. The Company's efficiency ratio improved to 55.8% for the year versus 57.7% for the same time period a year ago.

### **Equity**

During 2019, the Company repurchased 1,145,434 of its common shares in the open market at an average price of \$9.36. Tangible book value per common share at December 31, 2019 was \$6.41 compared to \$5.18 at December 31, 2018.

### **Dividend to be paid**

Subject to the closing of the merger of United Community with and into First Defiance Financial Corp., which was announced on September 9, 2019, and is expected to close on January 31, 2020, it is anticipated that a dividend will be paid to all First Defiance shareholders, including UCFC's shareholders whose shares will be converted to First Defiance common shares upon the closing of the merger. First Defiance declared a dividend of \$0.22 per share payable on February 21, to shareholders of record as of February 14. This action would be the equivalent of UCFC paying a dividend of \$0.08173 on UCFC shares.

### **Other**

Home Savings is a wholly owned subsidiary of the Company, offering a full line of commercial, wealth management and consumer banking products and services with 33 retail banking offices (32 in Ohio and one in Pennsylvania). Home Savings also has residential mortgage loan centers servicing Ohio, West Virginia, western Pennsylvania, northern Kentucky, and eastern Indiana. Additional information on the Company, Home Savings and James & Sons Insurance may be found on the Company's web site: [ir.ucfconline.com](http://ir.ucfconline.com).

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*When used in this press release, the words or phrases "believes," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project", "will have", "can expect" or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties, including changes in economic conditions in the Company's market area, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans in the Company's market area, competition, and the ability to close the merger of the Company with and into First Defiance Financial Corp. that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. The Company cautions readers not to place undue reliance on any such*

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*forward-looking statements, which speak only as of the date made. The Company advises readers that the factors listed above could affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements.*

*The Company does not undertake, and specifically disclaims any obligation, to release publicly the result of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.*



**UNITED COMMUNITY FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**  
(Unaudited)

|  | December 31,<br>2019          | December 31,<br>2018 | F/(U)       |
|--|-------------------------------|----------------------|-------------|
|  | <i>(Dollars in thousands)</i> |                      |             |
| <b>Assets:</b>   |                               |                      |             |
| Cash and deposits with banks   | \$ 30,218                     | \$ 34,380            | -12.1%      |
| Federal funds sold   | 21,635                        | 26,605               | -18.7%      |
| Total cash and cash equivalents  | 51,853                        | 60,985               | -15.0%      |
| <b>Securities:</b>   |                               |                      |             |
| Trading, at fair value   | 516                           | 364                  | 41.8%       |
| Available for sale, at fair value  | 306,786                       | 241,643              | 27.0%       |
| Held to maturity (fair value of \$0 and \$75,075, respectively)  | —                             | 77,491               | 100.0%      |
| Loans held for sale, at fair value   | 127,839                       | 91,472               | 39.8%       |
| Gross loans  | 2,237,224                     | 2,197,285            | 1.8%        |
| Allowance for loan losses  | (19,281)                      | (20,443)             | -5.7%       |
| Net loans  | 2,217,943                     | 2,176,842            | 1.9%        |
| Federal Home Loan Bank stock, at cost  | 13,639                        | 19,144               | -28.8%      |
| Premises and equipment, net  | 22,337                        | 21,930               | 1.9%        |
| Accrued interest receivable  | 8,660                         | 9,080                | -4.6%       |
| Real estate owned and other repossessed assets   | 816                           | 1,088                | -25.0%      |
| Goodwill   | 20,221                        | 20,221               | 0.0%        |
| Core deposit intangible  | 1,275                         | 1,603                | -20.5%      |
| Customer list intangible   | 2,032                         | 2,214                | -8.2%       |
| Cash surrender value of life insurance   | 65,798                        | 64,220               | 2.5%        |
| Other assets   | 28,598                        | 23,060               | 24.0%       |
| <b>Total assets</b>  | <b>\$ 2,868,313</b>           | <b>\$ 2,811,357</b>  | <b>2.0%</b> |
| <b>Liabilities and Shareholders' Equity</b>  |                               |                      |             |
| <b>Liabilities:</b>  |                               |                      |             |
| <b>Deposits:</b>   |                               |                      |             |
| Interest bearing   | \$ 1,665,042                  | \$ 1,528,057         | 9.0%        |
| Noninterest bearing  | 430,040                       | 394,208              | 9.1%        |
| Customer deposits  | 2,095,082                     | 1,922,265            | 9.0%        |
| Brokered deposits  | 192,027                       | 290,955              | -34.0%      |
| Total deposits   | 2,287,109                     | 2,213,220            | 3.3%        |
| <b>Borrowed funds:</b>   |                               |                      |             |
| Federal Home Loan Bank advances  |                               |                      |             |
| Short-term advances  | 191,000                       | 243,000              | -21.4%      |
| Total Federal Home Loan Bank advances  | 191,000                       | 243,000              | -21.4%      |
| Repurchase agreements and other  | —                             | 224                  | 100.0%      |
| Total borrowed funds   | 191,000                       | 243,224              | -21.5%      |
| Advance payments by borrowers for taxes and insurance  | 31,650                        | 27,192               | 16.4%       |
| Accrued interest payable   | 656                           | 1,279                | -48.7%      |
| Accrued expenses and other liabilities   | 25,789                        | 17,108               | 50.7%       |
| <b>Total liabilities</b>   | <b>2,536,204</b>              | <b>2,502,023</b>     | <b>1.4%</b> |
| <b>Shareholders' Equity:</b>   |                               |                      |             |
| Preferred stock-no par value; 1,000,000 shares authorized and no shares outstanding  | —                             | —                    | 0.0%        |
| Common stock-no par value; 499,000,000 shares authorized; 54,138,910 shares issued and 48,104,055 and 49,128,875 shares, respectively, outstanding | 177,392                       | 177,492              | -0.1%       |
| Retained earnings  | 216,868                       | 192,062              | 12.9%       |
| Accumulated other comprehensive loss   | (13,461)                      | (21,436)             | -37.2%      |
| Treasury stock, at cost, 6,034,855 and 5,010,035 shares, respectively  | (48,690)                      | (38,784)             | 25.5%       |
| <b>Total shareholders' equity</b>  | <b>332,109</b>                | <b>309,334</b>       | <b>7.4%</b> |
| <b>Total liabilities and shareholders' equity</b>  | <b>\$ 2,868,313</b>           | <b>\$ 2,811,357</b>  | <b>2.0%</b> |

**UNITED COMMUNITY FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

|  | For the Three Months Ended |                  |                 |               |                 |                |               | For the Twelve Months Ended |                  |                 |               |
|--|----------------------------|------------------|-----------------|---------------|-----------------|----------------|---------------|-----------------------------|------------------|-----------------|---------------|
|  | December 31,               | September 30,    | Variance        | F/(U)         | December 31,    | Variance       | F/(U)         | December 31,                | December 31,     | Variance        | F/(U)         |
|  | 2019                       | 2019             |                 |               | 2018            |                |               | 2019                        | 2018             |                 |               |
| <i>(Dollars in thousands, except per share data)</i>             |                            |                  |                 |               |                 |                |               |                             |                  |                 |               |
| <b>Interest income</b>   |                            |                  |                 |               |                 |                |               |                             |                  |                 |               |
| Loans  | \$ 25,501                  | \$ 26,037        | \$ (536)        | -2.1%         | \$ 26,587       | \$ (1,086)     | -4.1%         | \$ 103,768                  | \$ 96,653        | \$ 7,115        | 7.4%          |
| Loans held for sale  | 1,219                      | 1,067            | 152             | 14.2%         | 1,184           | 35             | 3.0%          | 4,284                       | 4,318            | (34)            | -0.8%         |
| Securities:  |                            |                  |                 |               |                 |                |               |                             |                  |                 |               |
| Available for sale, nontaxable                                   | 234                        | 235              | (1)             | -0.4%         | 334             | (100)          | -29.9%        | 1,012                       | 1,412            | (400)           | -28.3%        |
| Available for sale, taxable                                      | 1,781                      | 1,828            | (47)            | -2.6%         | 1,148           | 633            | 55.1%         | 6,483                       | 4,732            | 1,751           | 37.0%         |
| Held to maturity, nontaxable                                     | —                          | —                | —               | 0.0%          | 69              | (69)           | 100.0%        | 99                          | 250              | (151)           | -60.4%        |
| Held to maturity, taxable  | —                          | —                | —               | 0.0%          | 380             | (380)          | 100.0%        | 497                         | 1,574            | (1,077)         | -68.4%        |
| Federal Home Loan Bank stock dividends                           | 140                        | 173              | (33)            | -19.1%        | 290             | (150)          | -51.7%        | 847                         | 1,133            | (286)           | -25.2%        |
| Other interest earning assets                                    | 125                        | 203              | (78)            | -38.4%        | 178             | (53)           | -29.8%        | 752                         | 500              | 252             | 50.4%         |
| <b>Total interest income</b>                                     | <b>29,000</b>              | <b>29,543</b>    | <b>(543)</b>    | <b>-1.8%</b>  | <b>30,170</b>   | <b>(1,170)</b> | <b>-3.9%</b>  | <b>117,742</b>              | <b>110,572</b>   | <b>7,170</b>    | <b>6.5%</b>   |
| <b>Interest expense</b>  |                            |                  |                 |               |                 |                |               |                             |                  |                 |               |
| Deposits   | 6,095                      | 6,856            | (761)           | 11.1%         | 5,866           | 229            | -3.9%         | 26,722                      | 17,796           | 8,926           | -50.2%        |
| Federal Home Loan Bank advances                                  | 1,157                      | 1,103            | 54              | -4.9%         | 810             | 347            | -42.8%        | 3,460                       | 4,830            | (1,370)         | 28.4%         |
| Repurchase agreements and other                                  | —                          | —                | —               | 0.0%          | —               | —              | 0.0%          | —                           | 1                | 1               | 100.0%        |
| <b>Total interest expense</b>                                    | <b>7,252</b>               | <b>7,959</b>     | <b>707</b>      | <b>-8.9%</b>  | <b>6,676</b>    | <b>(576)</b>   | <b>8.6%</b>   | <b>30,182</b>               | <b>22,627</b>    | <b>(7,555)</b>  | <b>33.4%</b>  |
| <b>Net interest income</b>                                       | <b>21,748</b>              | <b>21,584</b>    | <b>164</b>      | <b>0.8%</b>   | <b>23,494</b>   | <b>(1,746)</b> | <b>-7.4%</b>  | <b>87,560</b>               | <b>87,945</b>    | <b>(385)</b>    | <b>-0.4%</b>  |
| <b>Taxable equivalent adjustment</b>                             | <b>51</b>                  | <b>46</b>        | <b>5</b>        | <b>10.9%</b>  | <b>111</b>      | <b>(60)</b>    | <b>-54.1%</b> | <b>244</b>                  | <b>382</b>       | <b>(138)</b>    | <b>-36.1%</b> |
| <b>Net interest income (FTE) <sup>(1)</sup></b>                  | <b>21,799</b>              | <b>21,630</b>    | <b>169</b>      | <b>0.8%</b>   | <b>23,605</b>   | <b>(1,806)</b> | <b>-7.7%</b>  | <b>87,804</b>               | <b>88,327</b>    | <b>(523)</b>    | <b>-0.6%</b>  |
| <b>Provision for loan losses</b>                                 | <b>(422)</b>               | <b>701</b>       | <b>1,123</b>    | <b>160.2%</b> | <b>178</b>      | <b>600</b>     | <b>337.1%</b> | <b>290</b>                  | <b>699</b>       | <b>409</b>      | <b>58.5%</b>  |
| <b>Net interest income after provision for loan losses (FTE)</b> | <b>22,221</b>              | <b>20,929</b>    | <b>1,292</b>    | <b>6.2%</b>   | <b>23,427</b>   | <b>(1,206)</b> | <b>-5.1%</b>  | <b>87,514</b>               | <b>87,628</b>    | <b>(114)</b>    | <b>-0.1%</b>  |
| <b>Non-interest income</b>                                       |                            |                  |                 |               |                 |                |               |                             |                  |                 |               |
| Insurance agency income  | 631                        | 575              | 56              | 9.7%          | 562             | 69             | 12.3%         | 2,452                       | 2,197            | 255             | 11.6%         |
| Brokerage income   | 383                        | 480              | (97)            | -20.2%        | 305             | 78             | 25.6%         | 1,642                       | 1,216            | 426             | 35.0%         |
| Service fees and other charges:                                  |                            |                  |                 |               |                 |                |               |                             |                  |                 |               |
| Deposit related fees   | 1,515                      | 1,490            | 25              | 1.7%          | 1,521           | (6)            | -0.4%         | 5,762                       | 5,706            | 56              | 1.0%          |
| Mortgage servicing fees  | 931                        | 908              | 23              | 2.5%          | 858             | 73             | 8.5%          | 3,593                       | 3,304            | 289             | 8.7%          |
| Mortgage servicing rights valuation                              | —                          | —                | —               | 0.0%          | —               | —              | 0.0%          | —                           | —                | —               | 0.0%          |
| Mortgage servicing rights amortization                           | (857)                      | (702)            | (155)           | 22.1%         | (430)           | (427)          | 99.3%         | (2,557)                     | (1,949)          | (608)           | -31.2%        |
| Other service fees   | 21                         | 21               | —               | 0.0%          | 36              | (15)           | -41.7%        | 101                         | 161              | (60)            | -37.3%        |
| Net gains (losses):  |                            |                  |                 |               |                 |                |               |                             |                  |                 |               |
| Trading securities   | 68                         | 29               | 39              | 134.5%        | 669             | (601)          | -89.8%        | 200                         | 669              | (469)           | -70.1%        |
| Securities available for sale                                    | —                          | 128              | (128)           | 100.0%        | (861)           | 861            | 100.0%        | 420                         | (627)            | 1,047           | -167.0%       |
| Mortgage banking income  | 1,804                      | 2,508            | (704)           | -28.1%        | 1,118           | 686            | 61.4%         | 8,619                       | 5,090            | 3,529           | 69.3%         |
| Real estate owned and other repossessed assets charges, net      | 4                          | (55)             | 59              | 107.3%        | (24)            | 28             | 116.7%        | (115)                       | (260)            | 145             | 55.8%         |
| Debit/credit card fees   | 1,039                      | 1,057            | (18)            | -1.7%         | 1,033           | 6              | 0.6%          | 4,251                       | 4,158            | 93              | 2.2%          |
| Trust fee income   | 428                        | 434              | (6)             | -1.4%         | 480             | (52)           | -10.8%        | 1,788                       | 1,905            | (117)           | -6.1%         |
| Bank owned life insurance  | 397                        | 398              | (1)             | -0.3%         | 431             | (34)           | -7.9%         | 1,578                       | 1,732            | (154)           | -8.9%         |
| Other income   | —                          | —                | —               | 0.0%          | —               | —              | 0.0%          | —                           | —                | —               | 0.0%          |
| <b>Total non-interest income</b>                                 | <b>6,847</b>               | <b>7,015</b>     | <b>(168)</b>    | <b>-2.4%</b>  | <b>5,585</b>    | <b>1,262</b>   | <b>22.6%</b>  | <b>26,607</b>               | <b>23,402</b>    | <b>3,205</b>    | <b>13.7%</b>  |
| <b>Non-interest expense</b>                                      |                            |                  |                 |               |                 |                |               |                             |                  |                 |               |
| Salaries and employee benefits                                   | 9,278                      | 8,831            | 447             | -5.1%         | 9,029           | 249            | -2.8%         | 37,790                      | 37,071           | 719             | -1.9%         |
| Occupancy  | 1,051                      | 1,024            | 27              | -2.6%         | 1,023           | 28             | -2.7%         | 4,146                       | 4,167            | (21)            | 0.5%          |
| Equipment and data processing                                    | 2,251                      | 2,307            | (56)            | 2.4%          | 2,122           | 129            | -6.1%         | 9,055                       | 8,679            | 376             | -4.3%         |
| Financial institutions tax                                       | 468                        | 509              | (41)            | 8.1%          | 464             | 4              | -0.9%         | 1,995                       | 1,950            | 45              | -2.3%         |
| Advertising  | 278                        | 407              | (129)           | 31.7%         | 414             | (136)          | 32.9%         | 1,539                       | 1,278            | 261             | -20.4%        |
| Amortization of intangible assets                                | 127                        | 127              | —               | 0.0%          | 128             | (1)            | 0.8%          | 510                         | 501              | 9               | -1.8%         |
| FDIC insurance premiums  | 211                        | (288)            | 499             | 173.3%        | 398             | (187)          | 47.0%         | 551                         | 1,270            | (719)           | 56.6%         |
| Other insurance premiums   | 74                         | 74               | —               | 0.0%          | 70              | 4              | -5.7%         | 300                         | 373              | (73)            | 19.6%         |
| Professional fees:   |                            |                  |                 |               |                 |                |               |                             |                  |                 |               |
| Legal fees   | 100                        | 181              | (81)            | 44.8%         | 292             | (192)          | 65.8%         | 554                         | 1,094            | (540)           | 49.4%         |
| Other professional fees  | 250                        | 545              | (295)           | 54.1%         | 721             | (471)          | 65.3%         | 1,945                       | 2,262            | (317)           | 14.0%         |
| Supervisory fees   | 48                         | 48               | —               | 0.0%          | 34              | 14             | -41.2%        | 163                         | 152              | 11              | -7.2%         |
| Real estate owned and other repossessed asset expenses           | 27                         | 39               | (12)            | 30.8%         | 34              | (7)            | 20.6%         | 123                         | 129              | (6)             | 4.7%          |
| Acquisition related expenses                                     | 1,351                      | —                | 1,351           | 100.0%        | —               | 1,351          | 100.0%        | 1,351                       | —                | 1,351           | 100.0%        |
| Other expenses   | 1,265                      | 1,207            | 58              | -4.8%         | 2,449           | (1,184)        | 48.3%         | 5,419                       | 6,153            | (734)           | 11.9%         |
| <b>Total non-interest expenses</b>                               | <b>16,779</b>              | <b>15,011</b>    | <b>(1,768)</b>  | <b>-11.8%</b> | <b>17,178</b>   | <b>399</b>     | <b>-2.3%</b>  | <b>65,441</b>               | <b>65,079</b>    | <b>(362)</b>    | <b>0.6%</b>   |
| <b>Income before income taxes</b>                                | <b>12,289</b>              | <b>12,933</b>    | <b>(644)</b>    | <b>-5.0%</b>  | <b>11,834</b>   | <b>455</b>     | <b>3.8%</b>   | <b>48,680</b>               | <b>45,951</b>    | <b>2,729</b>    | <b>5.9%</b>   |
| <b>Taxable equivalent adjustment</b>                             | <b>51</b>                  | <b>46</b>        | <b>5</b>        | <b>-10.9%</b> | <b>111</b>      | <b>(60)</b>    | <b>54.1%</b>  | <b>244</b>                  | <b>382</b>       | <b>(138)</b>    | <b>36.1%</b>  |
| <b>Income tax expense</b>  | <b>2,415</b>               | <b>2,383</b>     | <b>32</b>       | <b>-1.3%</b>  | <b>2,172</b>    | <b>243</b>     | <b>-11.2%</b> | <b>8,967</b>                | <b>8,391</b>     | <b>576</b>      | <b>-6.9%</b>  |
| <b>Net income</b>  | <b>\$ 9,823</b>            | <b>\$ 10,504</b> | <b>\$ (681)</b> | <b>-6.5%</b>  | <b>\$ 9,551</b> | <b>\$ 272</b>  | <b>2.8%</b>   | <b>\$ 39,469</b>            | <b>\$ 37,178</b> | <b>\$ 2,291</b> | <b>6.2%</b>   |
| <b>Earnings per common share:</b>                                |                            |                  |                 |               |                 |                |               |                             |                  |                 |               |
| Basic  | \$ 0.204                   | \$ 0.218         | \$ (0.014)      | -6.4%         | \$ 0.192        | \$ 0.012       | 6.2%          | \$ 0.815                    | \$ 0.746         | \$ 0.069        | 9.2%          |
| Diluted  | 0.203                      | 0.218            | (0.015)         | -6.9%         | 0.191           | 0.012          | 6.3%          | 0.811                       | 0.742            | 0.069           | 9.3%          |
| Diluted earnings per share excluding merger cost                 | 0.231                      | 0.218            | 0.013           | 6.0%          | 0.191           | 0.040          | 20.9%         | 0.839                       | 0.742            | 0.097           | 13.1%         |

(1) Net interest income is also presented on a fully taxable equivalent (FTE) basis, the Company believes this non-GAAP measure is the preferred industry measurement for this item.

**UNITED COMMUNITY FINANCIAL CORP.**  
**CONSOLIDATED AVERAGE BALANCES**  
(Unaudited)

|   | For the three months ended        |                             |                |                                   |                             |                |                                   |                             |                |
|---|-----------------------------------|-----------------------------|----------------|-----------------------------------|-----------------------------|----------------|-----------------------------------|-----------------------------|----------------|
|   | December 31, 2019                 |                             |                | September 30, 2019                |                             |                | December 31, 2018                 |                             |                |
|   | Average<br>outstanding<br>balance | Interest<br>earned/<br>paid | Yield/<br>rate | Average<br>outstanding<br>balance | Interest<br>earned/<br>paid | Yield/<br>rate | Average<br>outstanding<br>balance | Interest<br>earned/<br>paid | Yield/<br>rate |
|   | <i>(Dollars in thousands)</i>     |                             |                |                                   |                             |                |                                   |                             |                |
| <b>Interest earning assets:</b>   |                                   |                             |                |                                   |                             |                |                                   |                             |                |
| Net loans <sup>(1)</sup>  | \$2,233,356                       | \$25,508                    | 4.55%          | \$2,224,310                       | \$26,045                    | 4.66%          | \$2,161,414                       | \$26,616                    | 4.93%          |
| Loans held for sale   | 119,043                           | 1,219                       | 4.10%          | 99,581                            | 1,067                       | 4.29%          | 100,348                           | 1,184                       | 4.68%          |
| Total loans, net  | 2,352,399                         | 26,727                      | 4.55%          | 2,323,891                         | 27,112                      | 4.66%          | 2,261,762                         | 27,800                      | 4.91%          |
| <b>Securities:</b>  |                                   |                             |                |                                   |                             |                |                                   |                             |                |
| Trading   | —                                 | —                           | 0.00%          | —                                 | —                           | 0.00%          | 4                                 | —                           | 0.00%          |
| Available for sale-taxable  | 271,592                           | 1,781                       | 2.62%          | 279,618                           | 1,828                       | 2.61%          | 196,910                           | 1,148                       | 2.33%          |
| Available for sale-nontaxable <sup>(2)</sup>  | 34,968                            | 278                         | 3.18%          | 35,054                            | 273                         | 3.12%          | 48,370                            | 399                         | 3.30%          |
| Held to maturity-taxable  | —                                 | —                           | 0.00%          | —                                 | —                           | 0.00%          | 65,605                            | 380                         | 2.32%          |
| Held to maturity-nontaxable <sup>(2)</sup>  | —                                 | —                           | 0.00%          | —                                 | —                           | 0.00%          | 12,215                            | 86                          | 2.82%          |
| Total securities  | 306,560                           | 2,059                       | 2.69%          | 314,672                           | 2,101                       | 2.67%          | 323,104                           | 2,013                       | 2.49%          |
| Federal Home Loan Bank stock  | 13,639                            | 140                         | 4.11%          | 13,872                            | 173                         | 4.99%          | 19,144                            | 290                         | 6.06%          |
| Other interest earning assets   | 26,414                            | 125                         | 1.88%          | 36,706                            | 203                         | 2.19%          | 34,779                            | 178                         | 2.03%          |
| Total interest earning assets   | 2,699,012                         | 29,051                      | 4.29%          | 2,689,141                         | 29,589                      | 4.38%          | 2,638,789                         | 30,281                      | 4.59%          |
| <b>Non-interest earning assets</b>  | <b>180,691</b>                    |                             |                | <b>181,208</b>                    |                             |                | <b>176,579</b>                    |                             |                |
| Total assets  | <u>\$2,879,703</u>                |                             |                | <u>\$2,870,349</u>                |                             |                | <u>\$2,815,368</u>                |                             |                |
| <b>Interest bearing liabilities:</b>  |                                   |                             |                |                                   |                             |                |                                   |                             |                |
| <b>Deposits:</b>  |                                   |                             |                |                                   |                             |                |                                   |                             |                |
| Checking accounts   | \$ 807,682                        | 2,440                       | 1.21%          | \$ 770,268                        | 2,391                       | 1.24%          | \$ 620,306                        | 1,114                       | 0.71%          |
| Savings accounts  | 285,478                           | 26                          | 0.04%          | 286,794                           | 27                          | 0.04%          | 303,247                           | 28                          | 0.04%          |
| <b>Certificates of deposit</b>  |                                   |                             |                |                                   |                             |                |                                   |                             |                |
| Customer certificates of deposit  | 580,701                           | 2,965                       | 2.04%          | 611,736                           | 3,148                       | 2.06%          | 619,208                           | 2,652                       | 1.70%          |
| Brokered certificates of deposit  | 144,337                           | 664                         | 1.84%          | 226,951                           | 1,290                       | 2.27%          | 393,778                           | 2,072                       | 2.09%          |
| Total certificates of deposit   | 725,038                           | 3,629                       | 2.00%          | 838,687                           | 4,438                       | 2.12%          | 1,012,986                         | 4,724                       | 1.85%          |
| Total interest bearing deposits   | 1,818,198                         | 6,095                       | 1.34%          | 1,895,749                         | 6,856                       | 1.45%          | 1,936,539                         | 5,866                       | 1.20%          |
| <b>Federal Home Loan Bank advances</b>  |                                   |                             |                |                                   |                             |                |                                   |                             |                |
| Long-term advances  | —                                 | —                           | 0.00%          | —                                 | —                           | 0.00%          | 46,879                            | 357                         | 3.02%          |
| Short-term advances   | 245,250                           | 1,157                       | 1.89%          | 189,370                           | 1,103                       | 2.33%          | 75,033                            | 453                         | 2.40%          |
| Total Federal Home Loan Bank advances   | 245,250                           | 1,157                       | 1.89%          | 189,370                           | 1,103                       | 2.33%          | 121,912                           | 810                         | 2.64%          |
| Repurchase agreements and other   | —                                 | —                           | 0.00%          | 125                               | —                           | 0.00%          | 245                               | —                           | 0.00%          |
| Total borrowed funds  | 245,250                           | 1,157                       | 1.89%          | 189,495                           | 1,103                       | 2.33%          | 122,157                           | 810                         | 2.63%          |
| Total interest bearing liabilities  | \$2,063,448                       | 7,252                       | 1.41%          | \$2,085,244                       | 7,959                       | 1.53%          | \$2,058,696                       | 6,676                       | 1.29%          |
| <b>Non-interest bearing liabilities</b>   |                                   |                             |                |                                   |                             |                |                                   |                             |                |
| Total noninterest bearing deposits  | 433,275                           |                             |                | 411,106                           |                             |                | 395,649                           |                             |                |
| Other noninterest bearing liabilities   | 56,267                            |                             |                | 54,197                            |                             |                | 46,559                            |                             |                |
| Total noninterest bearing liabilities   | 489,542                           |                             |                | 465,303                           |                             |                | 442,208                           |                             |                |
| Total liabilities   | \$2,552,990                       |                             |                | \$2,550,547                       |                             |                | \$2,500,904                       |                             |                |
| Shareholders' equity  | 326,713                           |                             |                | 319,802                           |                             |                | 314,464                           |                             |                |
| Total liabilities and equity  | <u>\$2,879,703</u>                |                             |                | <u>\$2,870,349</u>                |                             |                | <u>\$2,815,368</u>                |                             |                |
| Net interest income and interest rate spread  |                                   | <u>\$21,799</u>             | 3.00%          |                                   | <u>\$21,630</u>             | 2.85%          |                                   | <u>\$23,605</u>             | 3.30%          |
| Net interest margin   |                                   |                             | 3.22%          |                                   |                             | 3.21%          |                                   |                             | 3.58%          |
| Average interest earning assets to average interest bearing liabilities               |                                   |                             | 130.80%        |                                   |                             | 128.96%        |                                   |                             | 128.18%        |
| <b>Interest bearing deposits</b>  |                                   |                             |                |                                   |                             |                |                                   |                             |                |
| Checking accounts   | \$ 807,682                        | \$ 2,440                    | 1.21%          | \$ 770,268                        | \$ 2,391                    | 1.24%          | \$ 620,306                        | \$ 1,114                    | 0.71%          |
| Savings accounts  | 285,478                           | 26                          | 0.04%          | 286,794                           | 27                          | 0.04%          | 303,247                           | 28                          | 0.04%          |
| Customer certificates of deposit  | 580,701                           | 2,965                       | 2.04%          | 611,736                           | 3,148                       | 2.06%          | 619,208                           | 2,652                       | 1.70%          |
| Total customer deposits   | 1,673,861                         | 5,431                       | 1.30%          | 1,668,798                         | 5,566                       | 1.33%          | 1,542,761                         | 3,794                       | 0.98%          |
| Brokered certificates of deposit  | 144,337                           | 664                         | 1.84%          | 226,951                           | 1,290                       | 2.27%          | 393,778                           | 2,072                       | 2.09%          |
| Total interest bearing deposits   | 1,818,198                         | 6,095                       | 1.34%          | 1,895,749                         | 6,856                       | 1.45%          | 1,936,539                         | 5,866                       | 1.20%          |
| Noninterest bearing deposits  | 433,275                           | —                           | 0.00%          | 411,106                           | —                           | 0.00%          | 395,649                           | —                           | 0.00%          |
| Total average deposits and cost of deposits   | \$2,251,473                       | \$ 6,095                    | 1.08%          | \$2,306,855                       | \$ 6,856                    | 1.19%          | \$2,332,188                       | \$ 5,866                    | 1.01%          |
| <b>Other interest bearing liabilities</b>   |                                   |                             |                |                                   |                             |                |                                   |                             |                |
| <b>Federal Home Loan Bank advances</b>  |                                   |                             |                |                                   |                             |                |                                   |                             |                |
| Long term advances  | \$ —                              | \$ —                        | 0.00%          | \$ —                              | \$ —                        | 0.00%          | \$ 46,879                         | \$ 357                      | 3.02%          |
| Short term advances   | 245,250                           | 1,157                       | 1.89%          | 189,370                           | 1,103                       | 2.33%          | 75,033                            | 453                         | 2.40%          |
| Total Federal Home Loan Bank advances   | 245,250                           | 1,157                       | 1.89%          | 189,370                           | 1,103                       | 2.33%          | 121,912                           | 810                         | 2.64%          |
| Repurchase agreements and other   | —                                 | —                           | 0.00%          | 125                               | —                           | 0.00%          | 245                               | —                           | 0.00%          |
| Total borrowed funds  | 245,250                           | 1,157                       | 1.89%          | 189,495                           | 1,103                       | 2.33%          | 122,157                           | 810                         | 2.63%          |
| Total average deposits and other interest bearing liabilities and total cost of funds | <u>\$2,496,723</u>                | <u>\$ 7,252</u>             | 1.26%          | <u>\$2,496,350</u>                | <u>\$ 7,959</u>             | 1.26%          | <u>\$2,454,345</u>                | <u>\$ 6,676</u>             | 1.09%          |
| Customer deposits interest bearing and noninterest bearing                            | \$2,107,136                       | \$ 5,431                    | 1.03%          | \$2,079,904                       | \$ 5,566                    | 1.07%          | \$1,938,410                       | \$ 3,794                    | 0.78%          |

|                   |           |       |       |           |       |       |           |       |       |
|-------------------|-----------|-------|-------|-----------|-------|-------|-----------|-------|-------|
| Brokered deposits | 144,337   | 664   | 1.84% | 226,951   | 1,290 | 2.27% | 393,778   | 2,072 | 2.09% |
| Total borrowings  | 245,250   | 1,157 | 1.89% | 189,495   | 1,103 | 2.33% | 122,157   | 810   | 2.63% |
| Cost of funds     | 2,496,723 | 7,252 | 1.26% | 2,496,350 | 7,959 | 1.26% | 2,454,345 | 6,676 | 1.09% |

- (1) Nonaccrual loans are included in the average balance at a yield of 0%.
- (2) Yields are on a fully taxable equivalent basis.

**UNITED COMMUNITY FINANCIAL CORP.**  
**SELECTED FINANCIAL HIGHLIGHTS**  
(Unaudited)

|  | At or for the quarters ended |                       |                  |                   |                      |
|--|------------------------------|-----------------------|------------------|-------------------|----------------------|
|  | December 31,<br>2019         | September 30,<br>2019 | June 30,<br>2019 | March 31,<br>2019 | December 31,<br>2018 |
| <i>(Dollars in thousands, except per share data)</i>         |                              |                       |                  |                   |                      |
| <b>Financial Data</b>  |                              |                       |                  |                   |                      |
| Total assets   | \$ 2,868,313                 | \$ 2,906,573          | \$2,869,116      | \$2,852,041       | \$ 2,811,357         |
| Total loans, net   | 2,217,943                    | 2,248,507             | 2,229,326        | 2,215,549         | 2,176,842            |
| Total securities   | 307,302                      | 315,755               | 319,714          | 313,847           | 319,498              |
| Total deposits   | 2,287,109                    | 2,105,758             | 2,259,179        | 2,289,803         | 2,213,220            |
| Average interest-bearing deposits                            | 1,818,198                    | 1,895,749             | 1,973,104        | 1,963,567         | 1,936,539            |
| Average noninterest-bearing deposits                         | 433,275                      | 411,106               | 405,535          | 400,874           | 395,649              |
| Total shareholders' equity                                   | 332,109                      | 326,856               | 317,554          | 314,709           | 309,334              |
| Net interest income  | 21,748                       | 21,584                | 22,043           | 22,186            | 23,494               |
| Net interest income (FTE) <sup>(1)</sup>                     | 21,799                       | 21,630                | 22,105           | 22,270            | 23,605               |
| Provision for loan losses                                    | (422)                        | 701                   | (51)             | 61                | 178                  |
| Noninterest income   | 6,847                        | 7,015                 | 6,671            | 6,073             | 5,585                |
| Noninterest expense  | 16,779                       | 15,011                | 15,976           | 17,674            | 17,178               |
| Income tax expense   | 2,415                        | 2,383                 | 2,303            | 1,868             | 2,172                |
| Net income   | 9,823                        | 10,504                | 10,486           | 8,656             | 9,551                |
| <b>Share Data</b>  |                              |                       |                  |                   |                      |
| Basic earnings per common share                              | \$ 0.204                     | \$ 0.218              | \$ 0.216         | \$ 0.177          | \$ 0.192             |
| Diluted earnings per common share                            | 0.203                        | 0.218                 | 0.215            | 0.176             | 0.191                |
| Book value per common share                                  | 6.90                         | 6.80                  | 6.61             | 6.44              | 6.30                 |
| Tangible book value per common share                         | 6.41                         | 6.31                  | 6.11             | 5.95              | 5.81                 |
| Market value per common share                                | 11.66                        | 10.78                 | 9.57             | 9.35              | 8.85                 |
| Common shares outstanding at end of period                   | 48,104                       | 48,087                | 48,069           | 48,853            | 49,129               |
| Weighted average shares outstanding—basic                    | 47,996                       | 47,961                | 48,463           | 48,854            | 49,445               |
| Weighted average shares outstanding—diluted                  | 48,221                       | 48,164                | 48,644           | 49,113            | 49,695               |
| <b>Key Ratios</b>  |                              |                       |                  |                   |                      |
| Return on average assets <sup>(2)</sup>                      | 1.36%                        | 1.46%                 | 1.48%            | 1.22%             | 1.36%                |
| Return on average assets excluding merger cost               | 1.55%                        | 1.46%                 | 1.48%            | 1.22%             | 1.36%                |
| Return on average equity <sup>(3)</sup>                      | 12.03%                       | 13.14%                | 13.22%           | 10.99%            | 12.15%               |
| Return on average equity excluding merger cost               | 13.68%                       | 13.14%                | 13.22%           | 10.99%            | 12.15%               |
| Return on tangible equity <sup>(4)</sup>                     | 12.96%                       | 14.19%                | 14.30%           | 11.90%            | 13.16%               |
| Return on tangible equity excluding merger cost              | 14.75%                       | 14.19%                | 14.30%           | 11.90%            | 13.16%               |
| Net interest margin  | 3.22%                        | 3.21%                 | 3.33%            | 3.38%             | 3.58%                |
| Efficiency ratio   | 53.55%                       | 52.15%                | 55.37%           | 62.29%            | 54.79%               |
| Nonperforming loans to net loans, end of period              | 0.58%                        | 0.46%                 | 0.58%            | 0.32%             | 0.30%                |
| Nonperforming assets to total assets, end of period          | 0.48%                        | 0.39%                 | 0.48%            | 0.34%             | 0.27%                |
| Allowance for loan loss as a percent of loans, end of period | 0.86%                        | 0.88%                 | 0.91%            | 0.91%             | 0.93%                |
| Delinquent loans to total net loans, end of period           | 0.74%                        | 0.63%                 | 0.58%            | 0.41%             | 0.50%                |

- (1) Net interest income is presented on a fully taxable equivalent (FTE) basis, the Company believes this non-GAAP measure is the preferred industry measurement for this item
- (2) Net income divided by average total assets
- (3) Net income divided by average total equity
- (4) Net income divided by average total equity, minus average intangible assets

**UNITED COMMUNITY FINANCIAL CORP.**  
**SELECTED FINANCIAL HIGHLIGHTS**  
(Unaudited)

|  | At or for the quarters ended |                       |                    |                    |                      |
|--|------------------------------|-----------------------|--------------------|--------------------|----------------------|
|  | December 31,<br>2019         | September 30,<br>2019 | June 30,<br>2019   | March 31,<br>2019  | December 31,<br>2018 |
| <i>(Dollars in thousands)</i>                  |                              |                       |                    |                    |                      |
| <b>Loan Portfolio Composition</b>              |                              |                       |                    |                    |                      |
| <b>Commercial loans</b>                        |                              |                       |                    |                    |                      |
| Multi-family                                   | \$ 177,363                   | \$ 166,027            | \$ 154,630         | \$ 163,243         | \$ 134,143           |
| Owner/nonowner occupied commercial real estate | 401,600                      | 409,687               | 414,780            | 412,550            | 409,979              |
| Land   | 18,131                       | 19,653                | 16,955             | 17,090             | 16,830               |
| Construction                                   | 122,102                      | 127,388               | 138,043            | 135,048            | 141,686              |
| Commercial and industrial                      | 275,179                      | 271,292               | 249,898            | 246,740            | 240,293              |
| <b>Total</b>                                   | <b>994,375</b>               | <b>994,047</b>        | <b>974,306</b>     | <b>974,671</b>     | <b>942,931</b>       |
| <b>Residential mortgage loans</b>              |                              |                       |                    |                    |                      |
| Real estate                                    | 914,073                      | 938,899               | 942,698            | 934,586            | 927,255              |
| Construction                                   | 34,931                       | 44,636                | 46,196             | 45,102             | 43,435               |
| <b>Total</b>                                   | <b>949,004</b>               | <b>983,535</b>        | <b>988,894</b>     | <b>979,688</b>     | <b>970,690</b>       |
| <b>Consumer loans</b>                          |                              |                       |                    |                    |                      |
| Consumer                                       | 286,329                      | 283,641               | 279,531            | 274,998            | 277,041              |
| <b>Total</b>                                   | <b>286,329</b>               | <b>283,641</b>        | <b>279,531</b>     | <b>274,998</b>     | <b>277,041</b>       |
| <b>Total loans</b>                             | <b>2,229,708</b>             | <b>2,261,223</b>      | <b>2,242,731</b>   | <b>2,229,357</b>   | <b>2,190,662</b>     |
| Less:  |                              |                       |                    |                    |                      |
| Allowance for loan losses                      | 19,281                       | 19,987                | 20,482             | 20,446             | 20,443               |
| Deferred loan costs, net                       | (7,517)                      | (7,271)               | (7,077)            | (6,638)            | (6,623)              |
| <b>Total</b>                                   | <b>11,764</b>                | <b>12,716</b>         | <b>13,405</b>      | <b>13,808</b>      | <b>13,820</b>        |
| <b>Total loans, net</b>                        | <b>2,217,944</b>             | <b>2,248,507</b>      | <b>2,229,326</b>   | <b>2,215,549</b>   | <b>2,176,842</b>     |
| <b>Loans held for sale, net</b>                | <b>127,839</b>               | <b>113,593</b>        | <b>97,477</b>      | <b>77,676</b>      | <b>91,472</b>        |
| <b>Total loans</b>                             | <b>\$ 2,345,783</b>          | <b>\$ 2,362,100</b>   | <b>\$2,326,803</b> | <b>\$2,293,225</b> | <b>\$ 2,268,314</b>  |

|  | At or for the quarters ended |                       |                    |                    |                      |
|--|------------------------------|-----------------------|--------------------|--------------------|----------------------|
|  | December 31,<br>2019         | September 30,<br>2019 | June 30,<br>2019   | March 31,<br>2019  | December 31,<br>2018 |
| <i>(Dollars in thousands)</i>          |                              |                       |                    |                    |                      |
| <b>Deposit Portfolio Composition</b>   |                              |                       |                    |                    |                      |
| <b>Checking accounts</b>               |                              |                       |                    |                    |                      |
| Interest bearing checking accounts     | \$ 137,783                   | \$ 134,662            | \$ 131,725         | \$ 146,244         | \$ 146,977           |
| Non-interest bearing checking accounts | 430,040                      | 421,631               | 398,340            | 404,644            | 394,208              |
| <b>Total checking accounts</b>         | <b>567,823</b>               | <b>556,293</b>        | <b>530,065</b>     | <b>550,888</b>     | <b>541,185</b>       |
| Savings accounts                       | 284,745                      | 286,251               | 290,354            | 297,186            | 298,087              |
| Money market accounts                  | 681,518                      | 653,926               | 606,661            | 550,049            | 466,167              |
| <b>Total non-time deposits</b>         | <b>1,534,086</b>             | <b>1,496,470</b>      | <b>1,427,080</b>   | <b>1,398,123</b>   | <b>1,305,439</b>     |
| Certificates of deposit                | 560,996                      | 591,516               | 644,024            | 630,174            | 616,826              |
| <b>Total customer deposits</b>         | <b>2,095,082</b>             | <b>2,087,986</b>      | <b>2,071,104</b>   | <b>2,028,297</b>   | <b>1,922,265</b>     |
| Brokered deposits                      | 192,027                      | 17,772                | 188,075            | 261,506            | 290,955              |
| <b>Total certificates of deposit</b>   | <b>753,023</b>               | <b>609,288</b>        | <b>832,099</b>     | <b>891,680</b>     | <b>907,781</b>       |
| <b>Total deposits</b>                  | <b>\$ 2,287,109</b>          | <b>\$ 2,105,758</b>   | <b>\$2,259,179</b> | <b>\$2,289,803</b> | <b>\$ 2,213,220</b>  |

**UNITED COMMUNITY FINANCIAL CORP.**  
**SELECTED FINANCIAL HIGHLIGHTS**  
(Unaudited)

|                                  | At or for the quarters ended  |                       |                  |                  | December 31,<br>2018 |
|----------------------------------|-------------------------------|-----------------------|------------------|------------------|----------------------|
|                                  | December 31,<br>2019          | September 30,<br>2019 | June 30,<br>2019 | March 31, 2019   |                      |
|                                  | <i>(Dollars in thousands)</i> |                       |                  |                  |                      |
| <b>Allowance For Loan Losses</b> |                               |                       |                  |                  |                      |
| Beginning balance                | \$ 19,987                     | \$ 20,482             | \$ 20,446        | \$ 20,443        | \$ 21,332            |
| Provision                        | (422)                         | 701                   | (51)             | 61               | 178                  |
| Net (chargeoffs) recoveries      | (284)                         | (1,196)               | 87               | (58)             | (1,067)              |
| Ending balance                   | <u>\$ 19,281</u>              | <u>\$ 19,987</u>      | <u>\$ 20,482</u> | <u>\$ 20,446</u> | <u>\$ 20,443</u>     |

|  | At or for the quarters ended  |                       |                  |                | December 31,<br>2018 |
|--|-------------------------------|-----------------------|------------------|----------------|----------------------|
|  | December 31,<br>2019          | September 30,<br>2019 | June 30,<br>2019 | March 31, 2019 |                      |
|  | <i>(Dollars in thousands)</i> |                       |                  |                |                      |
| <b>Net (Charge-offs) Recoveries</b>            |                               |                       |                  |                |                      |
| <b>Commercial loans</b>                        |                               |                       |                  |                |                      |
| Multi-family                                   | \$ 13                         | \$ 4                  | \$ 4             | \$ 113         | \$ (99)              |
| Owner/nonowner occupied commercial real estate | 14                            | 12                    | 165              | 28             | 38                   |
| Land   | —                             | —                     | —                | —              | —                    |
| Construction                                   | 1                             | —                     | —                | 1              | —                    |
| Commercial and industrial                      | (155)                         | (897)                 | 1                | (84)           | (765)                |
| <b>Total</b>                                   | <u>(127)</u>                  | <u>(881)</u>          | <u>170</u>       | <u>58</u>      | <u>(826)</u>         |
| <b>Residential mortgage loans</b>              |                               |                       |                  |                |                      |
| Real estate                                    | (55)                          | (186)                 | (53)             | 78             | (131)                |
| Construction                                   | —                             | —                     | —                | —              | —                    |
| <b>Total</b>                                   | <u>(55)</u>                   | <u>(186)</u>          | <u>(53)</u>      | <u>78</u>      | <u>(131)</u>         |
| <b>Consumer loans</b>                          |                               |                       |                  |                |                      |
| Consumer                                       | (102)                         | (130)                 | (30)             | (194)          | (110)                |
| <b>Total</b>                                   | <u>(102)</u>                  | <u>(130)</u>          | <u>(30)</u>      | <u>(194)</u>   | <u>(110)</u>         |
| <b>Total net (charge-offs) Recoveries</b>      | <u>\$ (284)</u>               | <u>\$ (1,197)</u>     | <u>\$ 87</u>     | <u>\$ (58)</u> | <u>\$ (1,067)</u>    |

|   | At or for the quarters ended  |                       |                  |                 | December 31,<br>2018 |
|---|-------------------------------|-----------------------|------------------|-----------------|----------------------|
|   | December 31,<br>2019          | September 30,<br>2019 | June 30,<br>2019 | March 31, 2019  |                      |
|   | <i>(Dollars in thousands)</i> |                       |                  |                 |                      |
| <b>Nonperforming Loans</b>                                |                               |                       |                  |                 |                      |
| <b>Commercial loans</b>                                   |                               |                       |                  |                 |                      |
| Multi-family  | \$ —                          | \$ —                  | \$ —             | \$ —            | \$ 171               |
| Owner/nonowner occupied commercial real estate            | 6,222                         | 3,610                 | 2,688            | 1,565           | 13                   |
| Land  | —                             | —                     | —                | —               | —                    |
| Construction  | —                             | —                     | —                | —               | —                    |
| Commercial and industrial                                 | 525                           | 785                   | 4,678            | 456             | 531                  |
| <b>Total</b>  | <u>6,747</u>                  | <u>4,395</u>          | <u>7,366</u>     | <u>2,021</u>    | <u>715</u>           |
| <b>Residential mortgage loans</b>                         |                               |                       |                  |                 |                      |
| Real estate   | 4,275                         | 4,233                 | 4,365            | 3,883           | 4,170                |
| Construction  | —                             | —                     | —                | —               | —                    |
| <b>Total</b>  | <u>4,275</u>                  | <u>4,233</u>          | <u>4,365</u>     | <u>3,883</u>    | <u>4,170</u>         |
| <b>Consumer loans</b>                                     |                               |                       |                  |                 |                      |
| Consumer  | 1,868                         | 1,689                 | 1,141            | 1,203           | 1,654                |
| <b>Total</b>  | <u>1,868</u>                  | <u>1,689</u>          | <u>1,141</u>     | <u>1,203</u>    | <u>1,654</u>         |
| <b>Total nonperforming loans</b>                          | <u>\$ 12,890</u>              | <u>\$ 10,317</u>      | <u>\$ 12,872</u> | <u>\$ 7,107</u> | <u>\$ 6,539</u>      |
| <b>Total Nonperforming Loans and Nonperforming Assets</b> |                               |                       |                  |                 |                      |
| Past due 90 days and on nonaccrual status                 | \$ 7,279                      | \$ 7,107              | \$ 5,392         | \$ 4,351        | \$ 5,750             |
| Past due 90 days and still accruing                       | —                             | —                     | —                | —               | —                    |
| Past due 90 days  | 7,279                         | 7,107                 | 5,392            | 4,351           | 5,750                |
| Past due less than 90 days and on nonaccrual              | 5,611                         | 3,210                 | 7,480            | 2,756           | 789                  |
| <b>Total nonperforming loans</b>                          | <u>12,890</u>                 | <u>10,317</u>         | <u>12,872</u>    | <u>7,107</u>    | <u>6,539</u>         |
| Other real estate owned                                   | 754                           | 880                   | 871              | 1,143           | 1,049                |
| Other classified assets                                   | —                             | —                     | —                | 1,479           | —                    |
| Repossessed assets  | 62                            | 82                    | 84               | 37              | 39                   |
| <b>Total nonperforming assets</b>                         | <u>\$ 13,706</u>              | <u>\$ 11,279</u>      | <u>\$ 13,827</u> | <u>\$ 9,766</u> | <u>\$ 7,627</u>      |



**UNITED COMMUNITY FINANCIAL CORP.**  
**NON-GAAP DISCLOSURE RECONCILIATION**  
(Unaudited)

|  | As Reported<br>Three months ended<br>December 31, 2019 | Merger related<br>costs | Non-GAAP Proforma<br>Three months ended<br>December 31, 2019 | As Reported<br>Twelve months ended<br>December 31, 2019 | Merger related<br>costs | Non-GAAP Proforma<br>Twelve months ended<br>December 31, 2019 |
|--|--|-------------------------|--|---|-------------------------|---|
|  | <i>(In thousands, except per share data)</i>           |                         |  |   |                         |   |
| <b>Net income:</b>                               | <b>\$ 9,823</b>  | <b>\$ 1,351</b>         | <b>\$ 11,174</b>   | <b>\$ 39,469</b>  | <b>1,351</b>            | <b>\$ 40,820</b>  |
| Diluted EPS:                                     |  |                         |  |   |                         |   |
| Net income                                       | \$ 9,823   | \$ 1,351                | \$ 11,174  | 39,469  |                         | 40,820  |
| Net income allocated to participating securities | (23)   |                         | (23)   | (8)   |                         | (8)   |
| Net income available to common shareholders      | <u>\$ 9,800</u>  |                         | <u>\$ 11,151</u>   | <u>39,461</u>   |                         | <u>40,812</u>   |
| Weighted average shares outstanding: diluted     | 48,220,742   |                         | 48,220,742   | 48,501,575  |                         | 48,501,575  |
| <b>Diluted EPS:</b>                              | <b>\$ 0.203</b>  |                         | <b>\$ 0.231</b>  | <b>\$ 0.814</b>   |                         | <b>\$ 0.841</b>   |
| Net income                                       | \$ 9,823   | \$ 1,351                | \$ 11,174  | \$ 39,469   | \$ 1,351                | \$ 40,820   |
| Average assets                                   | 2,879,703  |                         | 2,879,703  | 2,854,554   |                         | 2,854,554   |
| Average equity                                   | 326,713  |                         | 326,713  | 319,729   |                         | 319,729   |
| <b>ROA:</b>                                      | <b>1.36%</b>   |                         | <b>1.55%</b>   | <b>1.38%</b>  |                         | <b>1.43%</b>  |
| <b>ROE:</b>                                      | <b>12.03%</b>  |                         | <b>13.68%</b>  | <b>12.34%</b>   |                         | <b>12.77%</b>   |
| <b>Efficiency Ratio:</b>                         |  |                         |  |   |                         |   |
| Noninterest Expense                              | \$ 16,779  | \$ 1,351                | \$ 15,428  | \$ 65,441   | \$ 1,351                | \$ 64,090   |
| Intangible asset amortization                    | (127)  |                         | (127)  | (510)   |                         | (510)   |
| Net interest income                              | 21,799   |                         | 21,799   | 87,804  |                         | 87,804  |
| Noninterest income                               | 6,847  |                         | 6,847  | 26,606  |                         | 26,606  |
| Loss on securities                               | (68)   |                         | (68)   | (620)   |                         | (620)   |
| Loss on real estate owned                        | (4)  |                         | (4)  | 115   |                         | 115   |
| <b>Efficiency Ratio:</b>                         | <b>58.28%</b>  |                         | <b>53.55%</b>  | <b>57.00%</b>   |                         | <b>55.82%</b>   |

**Reconciliation of Average Shareholders' Equity to Average Tangible Equity:**

|   | At or for the quarters ended                         |                       |                   |                   |                      |
|---|--|-----------------------|-------------------|-------------------|----------------------|
|   | December 31,<br>2019                                 | September 30,<br>2019 | June 30, 2019     | March 31, 2019    | December 31,<br>2018 |
|   | <i>(Dollars in thousands, except per share data)</i> |                       |                   |                   |                      |
| Average shareholders equity                   | \$ 326,713   | \$ 319,802            | \$ 317,265        | \$ 315,006        | \$ 314,464           |
| Average intangible assets                     | 23,612   | 23,740                | 23,867            | 23,994            | 24,123               |
| Average tangible equity                       | <u>\$ 303,101</u>                                    | <u>\$ 296,062</u>     | <u>\$ 293,398</u> | <u>\$ 291,012</u> | <u>\$ 290,341</u>    |
| Net income                                    | \$ 9,823   | \$ 10,504             | \$ 10,486         | \$ 8,656          | \$ 9,551             |
| Merger cost                                   | 1,351  | —                     | —                 | —                 | —                    |
| Net income without merger cost                | <u>\$ 11,174</u>                                     | <u>\$ 10,504</u>      | <u>\$ 10,486</u>  | <u>\$ 8,656</u>   | <u>\$ 9,551</u>      |
| Return on tangible equity                     | 12.96%   | 14.19%                | 14.30%            | 11.90%            | 13.16%               |
| Return on tangible equity without merger cost | 14.75%   | 14.19%                | 14.30%            | 11.90%            | 13.16%               |

**Reconciliation of Fully Taxable Equivalent Net Interest Income to Net Interest Income:**

|  | For the quarters ended        |                       |                  |                  |                      |
|--|-------------------------------|-----------------------|------------------|------------------|----------------------|
|  | December 31,<br>2019          | September 30,<br>2019 | June 30, 2019    | March 31, 2019   | December 31,<br>2018 |
|  | <i>(Dollars in thousands)</i> |                       |                  |                  |                      |
| Interest income                          | \$ 29,000                     | \$ 29,543             | \$ 29,799        | \$ 29,401        | \$ 30,170            |
| Fully taxable equivalent adjustment      | 51                            | 46                    | 62               | 84               | 111                  |
| Fully taxable equivalent interest income | 29,051                        | 29,589                | 29,861           | 29,485           | 30,281               |
| Interest expense                         | 7,252                         | 7,959                 | 7,756            | 7,215            | 6,676                |
| Fully taxable net interest income        | <u>\$ 21,799</u>              | <u>\$ 21,630</u>      | <u>\$ 22,105</u> | <u>\$ 22,270</u> | <u>\$ 23,605</u>     |

**Tangible Book Value Per Share:**

Tangible book value, per share is defined as shareholders equity minus intangible assets divided by the number of shares outstanding.

|                                  | At the quarters ended                                |                       |                  |                   |                      |
|----------------------------------|--|-----------------------|------------------|-------------------|----------------------|
|                                  | December 31,<br>2019                                 | September 30,<br>2019 | June 30,<br>2019 | March 31,<br>2019 | December 31,<br>2018 |
|                                  | <i>(Dollars in thousands, except per share data)</i> |                       |                  |                   |                      |
| Total shareholders' equity       | \$ 332,109   | \$ 326,856            | \$ 317,554       | \$ 314,709        | \$ 309,334           |
| Goodwill                         | 20,221   | 20,221                | 20,221           | 20,221            | 20,221               |
| Customer list intangible         | 2,032  | 2,078                 | 2,123            | 2,169             | 2,214                |
| Core deposit intangible          | 1,275  | 1,357                 | 1,439            | 1,521             | 1,603                |
| Total common shares outstanding  | 48,104,055   | 48,087,430            | 48,068,790       | 48,852,688        | 49,128,875           |
| Tangible book value, as reported | <u>\$ 6.41</u>                                       | <u>\$ 6.31</u>        | <u>\$ 6.11</u>   | <u>\$ 5.95</u>    | <u>\$ 5.81</u>       |

**Reconciliation of Net Interest Margin, Non-Interest Income and Non-Interest Expense:**

|   | At the quarters ended |                      | At the quarters ended |                    |
|---|-----------------------|----------------------|-----------------------|--------------------|
|   | December 31,<br>2019  | December 31,<br>2018 | September 30,<br>2019 | September 30, 2018 |
| Net interest income (FTE)                         | \$ 21,799             | \$ 23,605            | \$ 21,630             | \$ 21,707          |
| less: purchase accounting                         | (422)                 | (178)                | (213)                 | (383)              |
| Adjusted net interest income                      | 21,377                | 23,427               | 21,417                | 21,324             |
| Average earning assets                            | 2,699,012             | 2,638,789            | 2,689,141             | 2,609,310          |
| Net interest margin excluding purchase accounting | 3.16%                 | 3.55%                | 3.18%                 | 3.27%              |
| Non-interest income                               | \$ 6,847              | \$ 5,585             | \$ 7,015              | \$ 6,146           |
| less: mortgage servicing valuation adjustment     | (312)                 | 44                   | 336                   | 6                  |
| Non-interest income, adjusted                     | 6,535                 | 5,629                | 7,351                 | 6,152              |
| Non-interest income % increase                    | 16.1%                 |                      | 19.5%                 |                    |
| Non-interest expense                              | \$ 16,779             | \$ 17,178            | \$ 15,011             | \$ 15,772          |
| Non-interest expense % decrease                   | -2.3%                 |                      | -4.8%                 |                    |