

# Branch Deal Announcement

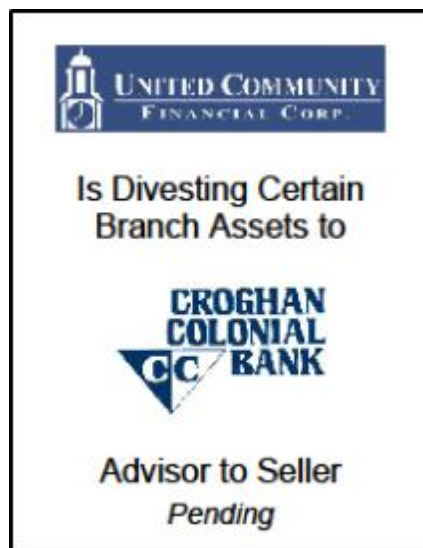
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## To Our Clients and Other Friends:

We are pleased to let you know that our client, United Community Financial Corp. ("UCFC"), along with its subsidiary Home Savings, has announced the sale of four of their northwest Ohio branches to Croghan Bancshares ("Croghan"). UCFC is selling two branches in Tiffin and one each in Fremont and Clyde. Please see the attached UCFC press release for more information.

This is the type of deal that we expect to see more of in the next couple of years. UCFC will exit four of its westernmost markets at an attractive premium of 4%, resulting in an increase in its tangible book value per share and its capital ratios. Croghan has the opportunity to improve its market share and operating efficiency in Fremont and Clyde, while entering an appealing contiguous market in Tiffin. The deal is expected to close in the fourth quarter.

Please feel free to call or write if you would like additional information on the branch sale market.



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*For Immediate Release*

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**United Community Financial Corp.  
Announces Agreement for Sale of Four Ohio Branches  
of The Home Savings and Loan Company to Croghan Colonial Bank**

YOUNGSTOWN, Ohio (August 31, 2011) – United Community Financial Corp. (NASDAQ: UCFC), holding company of The Home Savings and Loan Company, announced today that Home Savings has entered into an agreement to sell four of its western-most branches to Croghan Colonial Bank (“Croghan”), a subsidiary of Croghan Bancshares, Inc. (NASDAQ: CHBH). Croghan, headquartered in Fremont, Ohio, will acquire the Home Savings branches located in Fremont, Clyde, Tiffin (Westgate) and downtown Tiffin, Ohio. In the transaction, Croghan will assume all of the deposit liabilities and buy the related fixed assets of the branches. Croghan will pay a premium of 4.0% (or approximately \$4.5 million) on all non-jumbo, non-brokered and non-public deposits, which together represent all of the deposits at the branches. In addition, Croghan will acquire performing consumer and residential loans associated with the branches. As of June 30, 2011, there were approximately \$111.73 million in deposits and \$28.1 million in performing consumer and residential loans at the branches. Croghan anticipates retaining the Home Savings employees at the branches.

Patrick W. Bevack, President and CEO of United Community and Home Savings, commented, “The divestiture of these branches successfully completes one step in the execution of our Capital Plan. The sale represents an opportunity for us to record a gain that will positively impact our capital levels and our book value per share, and it is expected to have minimal impact on liquidity and earnings from continuing operations. At the same time, we are pleased that our loyal customers and employees in these markets will be able to seamlessly establish relationships with Croghan, an institution that is just as committed to the communities it serves as Home Savings. Meanwhile, it remains business as usual at all other Home Savings branches.”

The transaction has been approved by the Boards of Directors of both companies. No shareholder approvals are required. The transaction is subject to customary conditions, including regulatory approvals on the part of Croghan, and is expected to close in the fourth quarter of 2011.

United Community Financial Corp. is being advised on the transaction by ParaCap Group, LLC and by Vorys, Sater Seymour and Pease LLP. Croghan Bancshares is being advised on the transaction by Austin Associates, and Shumaker, Loop & Kendrick, LLP.

*As a wholly-owned subsidiary of United Community Financial Corp., Home Savings operates 38 full-service banking offices and six loan production offices located throughout Ohio and western Pennsylvania. Additional information on UCFC and Home Savings may be found at [www.ucfconline.com](http://www.ucfconline.com).*

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