

united financial bancorp, inc.

Create Your Balance

Forward Looking Statements

This Presentation contains forward-looking statements that are within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of our management and are subject to significant risks and uncertainties. These risks and uncertainties could cause our results to differ materially from those set forth in such forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Words such as “believes,” “anticipates,” “expects,” “intends,” “plans,” “estimates,” “targeted” and similar expressions, and future or conditional verbs, such as “will,” “would,” “should,” “could” or “may” are intended to identify forward-looking statements but are not the only means to identify these statements. Forward-looking statements involve risks and uncertainties. Actual conditions, events or results may differ materially from those contemplated by a forward-looking statement. Factors that could cause this difference — many of which are beyond our control — include without limitation the following: Any forward-looking statements made by or on behalf of us in this Presentation speak only as of the date of this Presentation. We do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made. The reader should; however, consult any further disclosures of a forward-looking nature we may make in future filings.

With regard to presentations compared to peer institutions, the peer companies include: BHLB, BNCL, BPFH, BRKL, CBU, CUBI, DCOM, EGBN, FCF, FFIC, INDB, KRNY, NBTB, NWBI, PFS, SASR, STBA, TMP, TRST, WSFS

Data for peers is sourced from SNL Financial LLC.

NON-GAAP FINANCIAL MEASURES

This presentation references non-GAAP financial measures incorporating tangible equity and related measures, and operating earnings excluding non-recurring costs. These measures are commonly used by investors in evaluating financial condition. GAAP earnings are lower than core earnings primarily due to non-recurring conversion, balance sheet restructuring and cost cutting initiative related expenses. The efficiency ratio represents the ratio of non-interest expenses to the sum of net interest income before provision for loan losses and non-interest income, exclusive of net gain (loss) on limited partnership investments. The pre-provision net revenue to average assets ratio represents the ratio of net interest income, on a fully tax-equivalent basis, fees and other non-interest income, net of non-credit-related expenses as a percent of total average assets. The pre-provision net revenue to average equity ratio represents the ratio of net interest income, on a fully tax-equivalent basis, fees and other non-interest income, net of non-credit-related expenses as a percent of total average equity. Reconciliations are in earnings releases at www.unitedfinancialinc.com.

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Four Key Objectives

1. Align earning asset growth rate with organic capital and low cost core deposit generation to maintain strong capital and liquidity ratios;
2. Re-mix cash flows into better yielding risk adjusted earning assets and reduce funding cost relative to peers. Transition thrift deposit base to commercial bank deposit base with more DDA and low cost core deposits;
3. Invest in people, systems, and technology to grow revenue and improve customer experience while maintaining very attractive cost structure;
4. Grow operating revenue, maximize operating earnings, grow tangible book value, and pay our dividend. Map more of our revenue into net interest income and core fee income while more volatile loan level hedging and mortgage banking decline relative to total revenue.

Second Quarter Reorganization

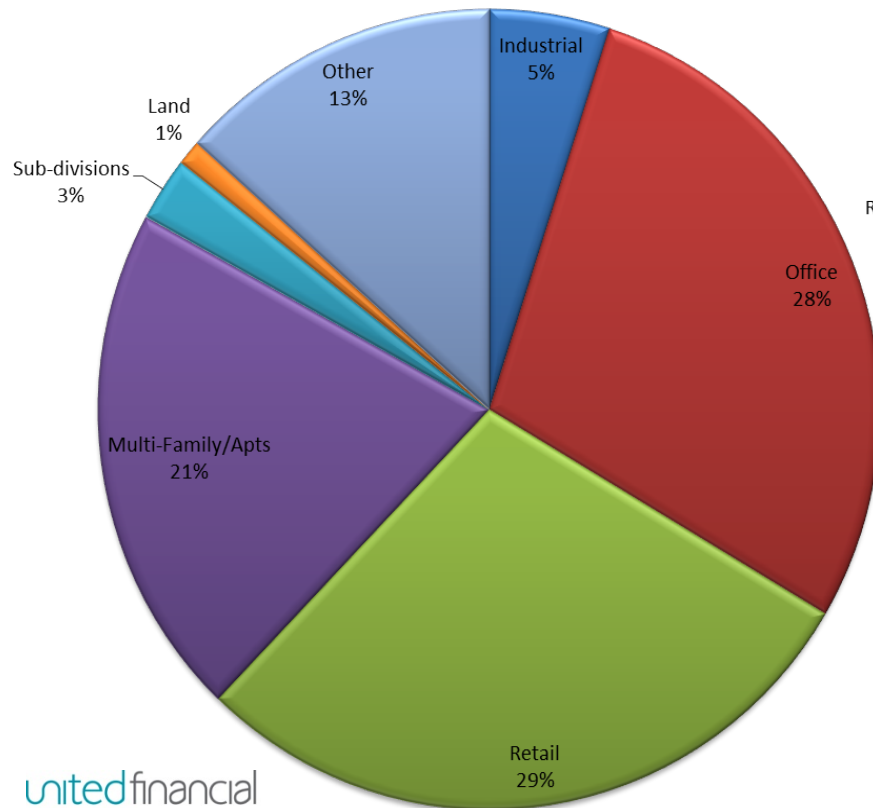
- Designed to centralize operational duties in our back office to free up sales and service staff allowing for a better customer experience and lower operating costs;
- Results in \$3 million of annual pre-tax savings;
- Expected one-time severance payout of \$1.5 million in second quarter.

Commercial Banking Overview

- Asset quality remains exceptional through diversification, granularity, that is accretive to risk adjusted capital

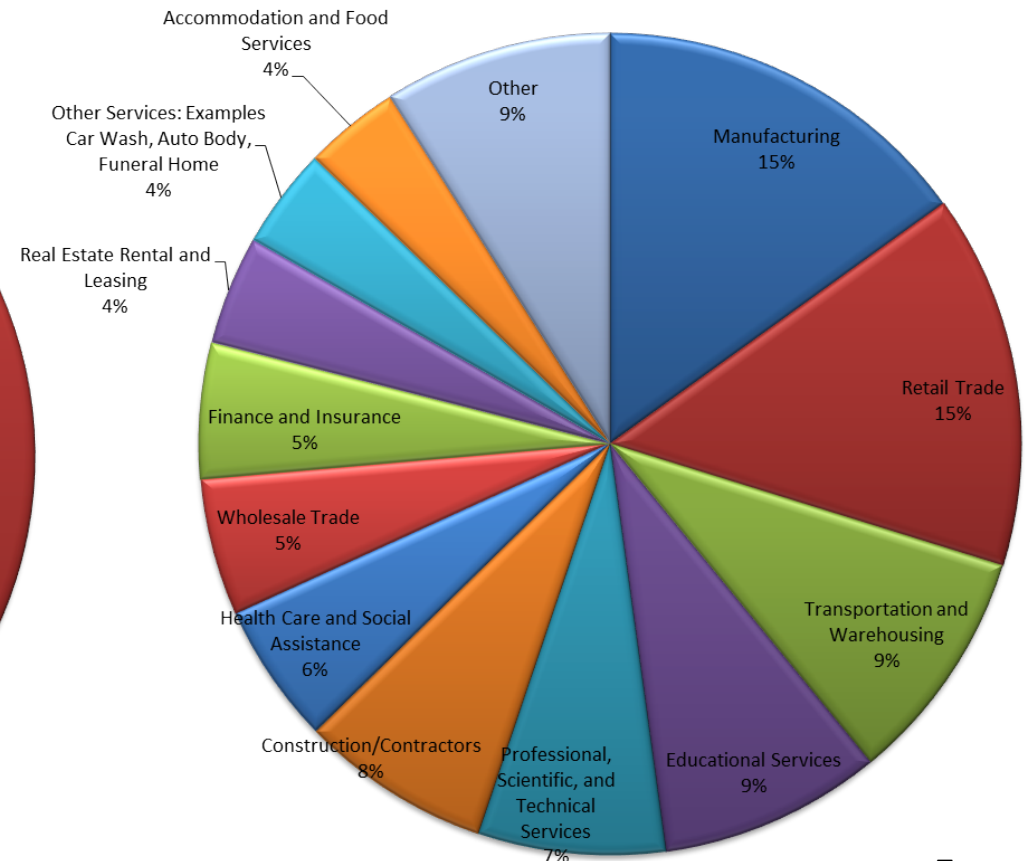
Investor CRE & ADC by Property Type

\$1,776 Million



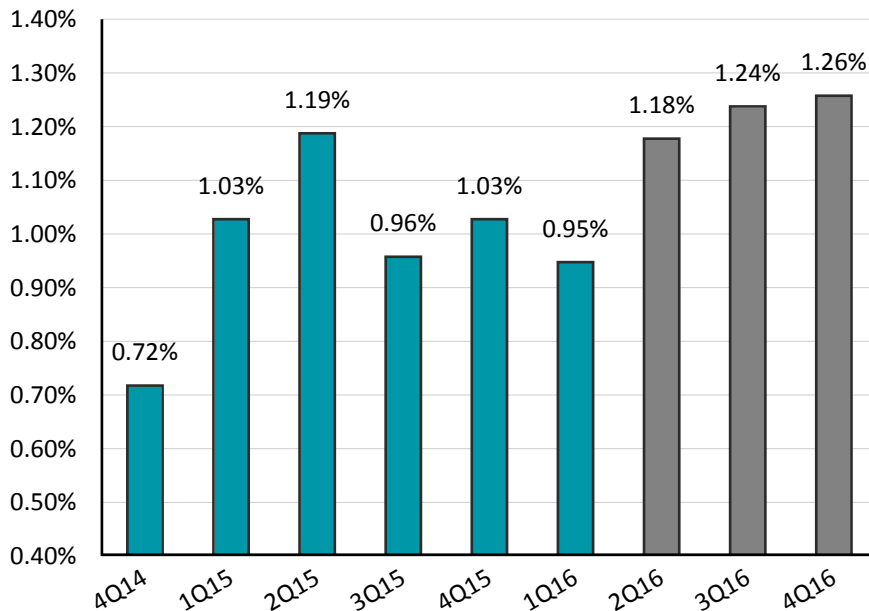
C&I & Owner Occupied CRE by Industry

\$991 Million



Improved Core Strength

Operating Pre-Tax Pre-Provision Revenue / Average Assets



Revenue Opportunities:

- Operating leverage improvement from late 2014 commercial banking team lift outs;
- Growth of consumer loans;
- UNFA more meaningfully contributes in 2H16;
- Improvement of deposit fee income relative to deposits;
- Continued focus on increasing debit card utilization metrics;
- Expected contributions of mortgage banking.

2016 Highlights

- **Positive Operating Leverage**
 - Operating revenue growth - double digits
 - Operating expense growth - low single digits
- **Stable Operating Net interest Margin**
 - High single digit deposit growth
 - Mid-single digit loan growth

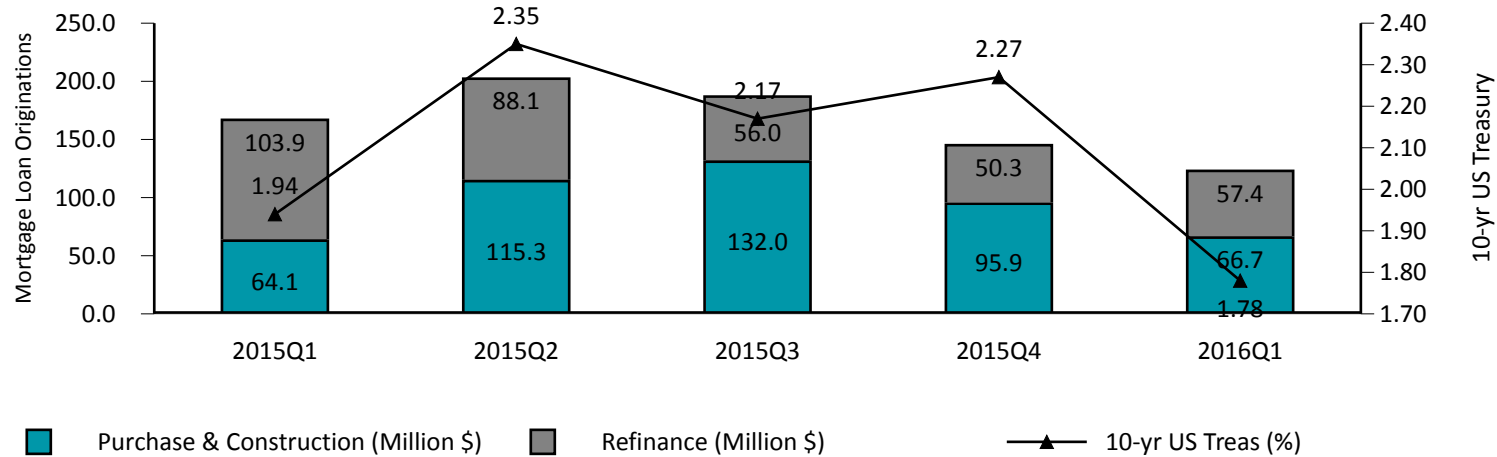
2016 Forecast

	Actual FY 2015	Actual Q1 2016	Next 12 Months
GAAP NIM	3.11%	3.09%	~ 3.10%
MTM Impact on Spread Income	\$12.6 million	\$1.1 million	\$4.0 - \$5.0 million
Annual Loan Growth	18.3%	3.0%	mid single digits
Provision / Average Gross Loans	0.32%	0.23%*	0.27% - 0.30%*
Fee Income Run Rate	\$32 million	\$29.4 million*	\$24.0 - \$27.0 million*
NIE Run Rate	\$32 million	\$135 million*	\$130 million*
Effective Tax Rate	11.2%	13.0%	15%

*Note: Provision/Average Gross Loans, Fee Income and NIE calculations are annualized.

Mortgage Banking

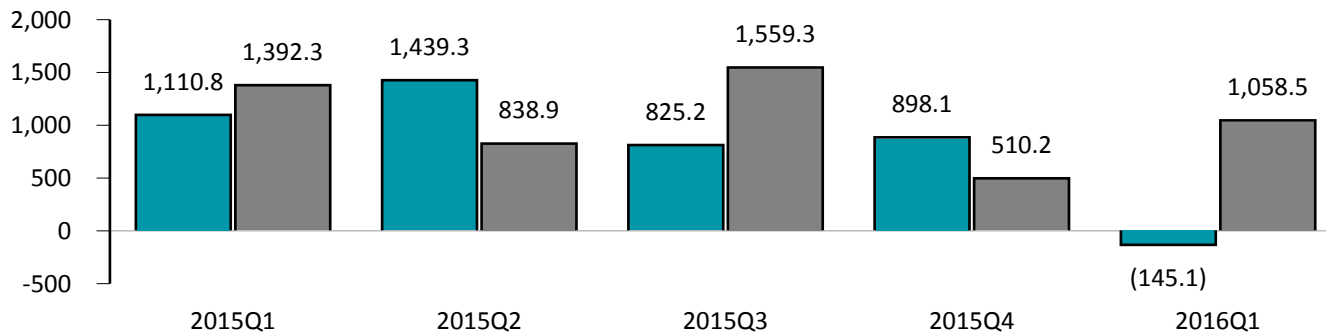
Mortgage Loan Originations



10-yr US Treasury

- Purchase volume increased 4% over comparable 2015 period
- Purchase volume represented 53.8% of total production in Q1 2016

Net Mortgage Banking Revenue (Thousands \$)



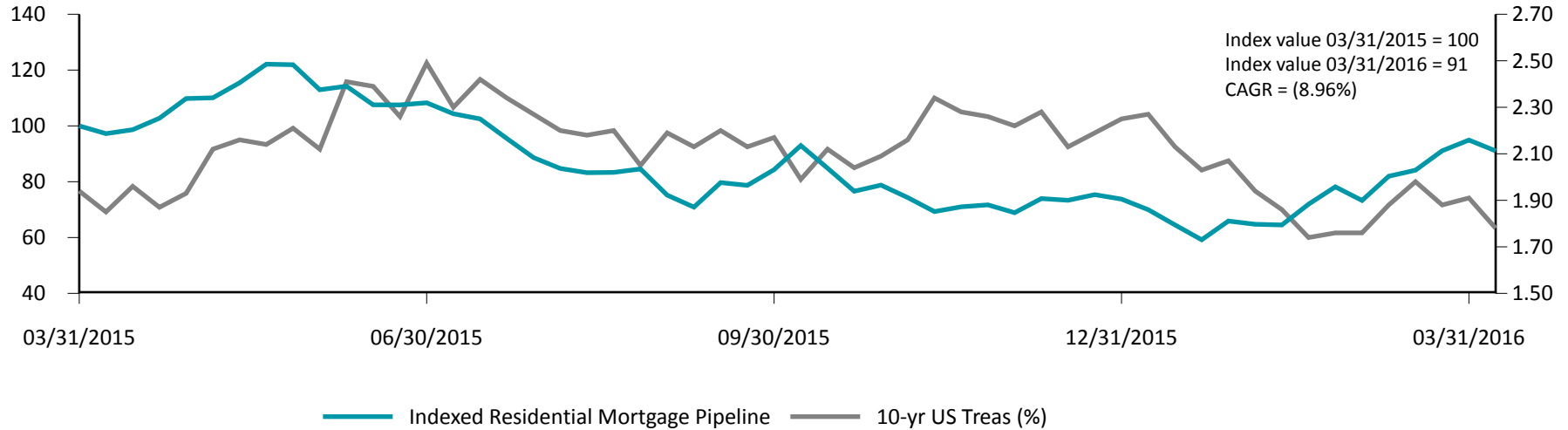
- 37.3% of residential mortgage volume was ARMs in Q1 2016.

■ Mortgage Banking Income Less Commissions & Incentives

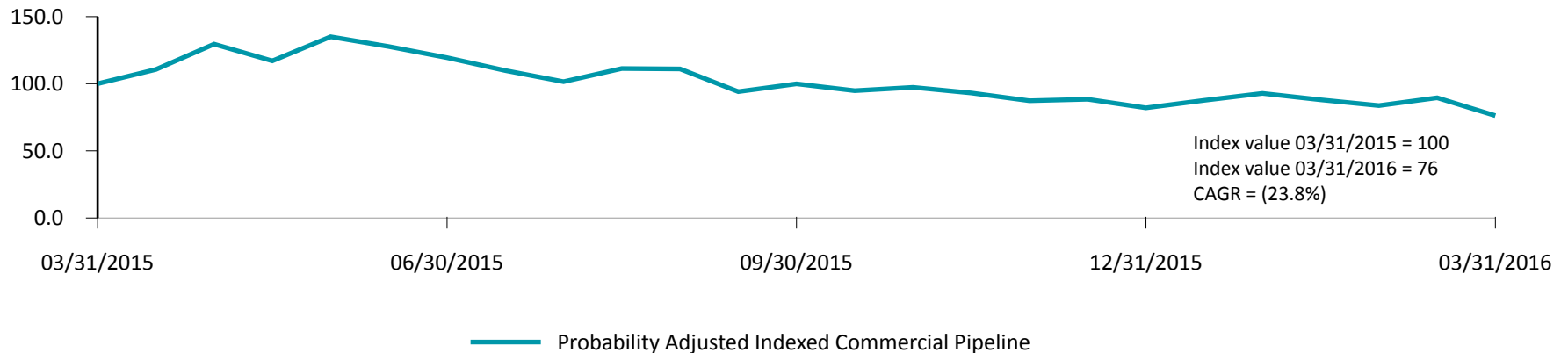
■ Mortgage Banking Income (Excluding MSR Valuation Income/Expense) Less Commissions & Incentives

Indexed Pipeline Metrics

Indexed Residential Mortgage Pipeline vs 10 yr US Treasury



Indexed Probability Adjusted Commercial Pipeline



APPENDIX

Balance Sheet Trends

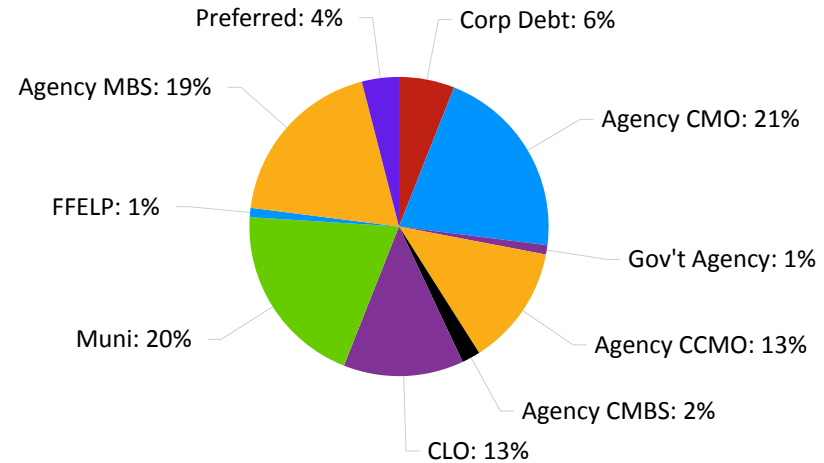
Balance Sheet (\$ in thousands)	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	QoQ		YoY	
						1Q16 vs 4Q15		1Q16 vs 1Q15	
						\$ Change	% Change	\$ Change	% Change
ASSETS									
Cash and cash equivalents	\$ 87,234	\$ 95,176	\$ 98,310	\$ 84,525	\$ 89,361	\$ (7,942)	(8.3)%	\$ (2,127)	(2.4)%
Securities	1,104,932	1,073,734	1,095,108	1,076,919	1,109,433	31,198	2.9	(4,501)	(0.4)
Loans held for sale	7,560	10,136	13,511	28,017	13,002	(2,576)	(25.4)	(5,442)	(41.9)
Residential real estate	1,176,357	1,179,915	1,190,745	1,167,830	1,123,355	(3,558)	(0.3)	53,002	4.7
Home equity	446,515	431,282	335,220	333,983	331,206	15,233	3.5	115,309	34.8
Other consumer	217,725	233,064	5,236	5,206	5,155	(15,339)	(6.6)	212,570	4,123.6
Residential Construction	42,205	41,084	33,648	24,306	17,840	1,121	2.7	24,365	136.6
Investor non-occupied CRE	1,648,321	1,673,248	1,580,848	1,458,229	1,390,701	(24,927)	(1.5)	257,620	18.5
Owner occupied CRE	376,511	322,084	340,047	305,522	301,176	54,427	16.9	75,335	25.0
Commercial business	614,235	603,332	576,899	634,529	603,761	10,903	1.8	10,474	1.7
Commercial construction (ADC)	128,007	129,922	146,975	142,462	131,539	(1,915)	(1.5)	(3,532)	(2.7)
Loans - net	4,621,988	4,587,062	4,185,032	4,048,770	3,884,067	34,926	0.8	737,921	19.0
Deferred tax asset, net	32,222	33,094	31,554	31,822	29,956	(872)	(2.6)	2,266	7.6
Premises and equipment, net	53,685	54,779	55,919	57,131	57,718	(1,094)	(2.0)	(4,033)	(7.0)
Intangible Assets	122,354	122,787	123,220	123,637	124,053	(433)	(0.4)	(1,699)	(1.4)
Cash surrender value of BOLI	125,920	125,101	125,186	124,287	123,456	819	0.7	2,464	2.0
Other Assets*	163,349	126,672	115,182	105,582	100,104	36,677	29.0	63,245	63.2
Total Assets	\$ 6,319,244	\$ 6,228,541	\$ 5,843,022	\$ 5,680,690	\$ 5,531,150	\$ 90,703	1.5 %	\$ 788,094	14.2 %
LIABILITIES AND STOCKHOLDERS' EQUITY									
Liabilities:									
Deposits:									
Non-interest-bearing	\$ 693,144	\$ 672,008	\$ 622,535	\$ 610,279	\$ 598,157	\$ 21,136	3.1 %	\$ 94,987	15.9 %
Interest-bearing	3,840,901	3,765,063	3,640,436	3,571,972	3,558,958	75,838	2.0	281,943	7.9
Total Deposits	4,534,045	4,437,071	4,262,971	4,182,251	4,157,115	96,974	2.2	376,930	9.1
Mortgagors' and investor escrow accounts	9,696	13,526	8,108	15,168	8,815	(3,830)	(28.3)	881	10.0
FHLB advances and other borrowings	1,073,034	1,099,020	893,865	825,963	707,318	(25,986)	(2.4)	365,716	51.7
Accrued expenses and other liabilities	69,191	53,403	56,626	45,313	47,779	15,788	29.6	21,412	44.8
Total liabilities	5,685,966	5,603,020	5,221,570	5,068,695	4,921,027	82,946	1.5	764,939	15.5
Total stockholders' equity	633,278	625,521	621,452	611,995	610,123	7,757	1.2	23,155	3.8
Total liabilities and stockholders' equity	\$ 6,319,244	\$ 6,228,541	\$ 5,843,022	\$ 5,680,690	\$ 5,531,150	\$ 90,703	1.5 %	\$ 788,094	14.2 %

Investment Portfolio

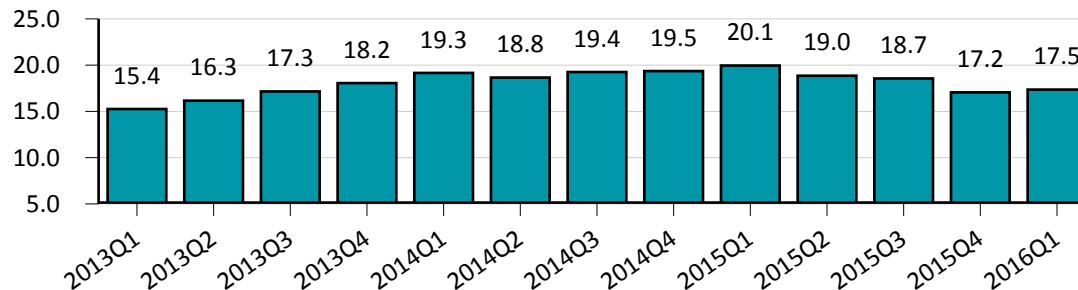
Portfolio Stats (\$ in millions)	2016Q1	2015Q4
Market Value	1,105	1,074
Yield	2.94%	2.93%
Average Rating	AA	AA
MBS Portfolio	613	585
Total Portfolio Duration (years)	3.1	3.3

Summary of Quarterly Securities Purchases	2016Q1	2015Q4
Average Yield	2.95%	3.06%
Average Rating	AA	AA

**Investment Portfolio Summary (Total)
March 31, 2016**



Total Securities/Assets (%)



Asset Quality

(\$ in thousands, except percentage data)

	2016Q1	2015Q4	2015Q3	2015Q2	2015Q1
Non-accrual loans	\$ 29,285	\$ 32,191	\$ 32,240	\$ 30,028	\$ 30,631
TDR - non-accruing	7,143	5,611	4,605	5,346	5,034
Total non-performing loans	36,428	37,802	36,845	35,374	35,665
OREO	659	755	258	227	1,711
Total non-performing assets	\$ 37,087	\$ 38,557	\$ 37,103	\$ 35,601	\$ 37,376
NPLs to total loans	0.78%	0.82%	0.88%	0.87%	0.91%
NPAs to total assets	0.59%	0.62%	0.63%	0.63%	0.68%
Net charge offs	\$ 1,075	\$ 724	\$ 1,276	\$ 904	\$ 1,022
Annualized NCOs to average loans	0.09%	0.07%	0.12%	0.09%	0.10%
Allowance for loan losses to non-performing loans	97.45%	89.64%	83.68%	81.57%	70.93%
Allowance for loan losses to total loans	0.76%	0.73%	0.73%	0.71%	0.65%
Provision for loan losses (annualized)/Average Loans	0.23%	0.35%	0.31%	0.45%	0.15%

Peer Group - Total Assets \$4-\$10 Billion

Institution Name	Ticker	Exchange	State	City	Total Assets (\$ thousands)	Market Cap (\$ millions)	Dividend Yield (%) [*]	Price/Tangible Book (%) [*]	Price / LTM EPS (x) [*]	Price / Median EPS Estimates (x) [*]	TCE/TA (%)
**United Financial Bancorp, Inc.	UBNK	NASDAQ	CT	Glastonbury	6,319,244	643.2	3.81	123.5	12.6	11.9	8.24
Peer Group:											
Northwest Bancshares, Inc.	NWBI	NASDAQ	PA	Warren	8,951,899	1364.1	4.15	154.2	21.1	16.9	10.28
Provident Financial Services, Inc.	PFS	NYSE	NJ	Iselin	8,911,657	1319.6	3.22	171.6	15.2	14.3	9.08
Community Bank System, Inc.	CBU	NYSE	NY	De Witt	8,552,669	1748.4	3.19	254.8	17.4	16.3	8.14
Customers Bancorp, Inc.	CUBI	NYSE	PA	Wyomissing	8,398,205	732.3	—	128.5	11.6	9.6	5.89
NBT Bancorp Inc.	NBTB	NASDAQ	NY	Norwich	8,262,646	1210.8	3.23	195.5	15.7	14.8	7.50
Berkshire Hills Bancorp, Inc.	BHLB	NYSE	MA	Pittsfield	7,831,915	901.7	2.83	150.7	15.5	11.4	7.37
Boston Private Financial Holdings, Inc.	BPFH	NASDAQ	MA	Boston	7,542,508	945.9	3.14	187.1	15.5	14.0	6.94
Independent Bank Corp.	INDB	NASDAQ	MA	Rockland	7,210,038	1220.5	2.26	215.9	18.4	15.2	7.98
First Commonwealth Financial Corporation	FCF	NYSE	PA	Indiana	6,566,890	806.9	3.16	142.3	15.8	13.2	8.65
S&T Bancorp, Inc.	STBA	NASDAQ	PA	Indiana	6,318,354	1072.9	2.83	181.5	13.0	11.4	8.21
Eagle Bancorp, Inc.	EGBN	NASDAQ	MD	Bethesda	6,076,649	1689.1	—	254.8	19.2	17.3	10.56
Brookline Bancorp, Inc.	BRKL	NASDAQ	MA	Boston	6,042,338	815.2	3.22	150.4	15.5	14.7	8.81
Flushing Financial Corporation	FFIC	NASDAQ	NY	Uniondale	5,704,634	623.9	2.96	136.4	13.6	13.9	8.03
Tompkins Financial Corporation	TMP	NYSE	NY	Ithaca	5,689,995	841.3	2.66	232.9	16.5	16.9	7.37
WSFS Financial Corporation	WSFS	NASDAQ	DE	Wilmington	5,585,962	963.1	0.65	199.3	17.6	14.3	8.84
Dime Community Bancshares, Inc.	DCOM	NASDAQ	NY	Brooklyn	5,032,872	653.6	3.18	150.2	14.3	13.5	8.81
Beneficial Bancorp, Inc.	BNCL	NASDAQ	PA	Philadelphia	4,826,695	1104.5	—	114.8	47.2	59.5	21.04
TrustCo Bank Corp NY	TRST	NASDAQ	NY	Glenville	4,734,992	584.9	4.33	139.9	13.6	14.1	8.72
Sandy Spring Bancorp, Inc.	SASR	NASDAQ	MD	Olney	4,655,380	655.0	3.23	153.6	15.1	14.6	9.63
Kearny Financial Corp.	KRNY	NASDAQ	NJ	Fairfield	4,405,046	1185.0	0.32	109.2	168.1	61.8	24.61
Average					6,565,067	1,021.9	2.43	171.2	25.0	18.9	9.82
Median					6,197,502	954.5	3.05	153.9	15.6	14.5	8.68

Source: SNL Financial.

^{*}Dividend Yield, Price / Tangible Book, Price / LTM EPS and Price / Median EPS Estimates calculated using 03/31/2016 closing prices

^{**}Peer Financial data as of 12/31/2015. UBNK Financial data as of 03/31/2016

Management Team and Ownership

Name	Title/Function	Years in Industry / Years at United	Prior Experience
William H.W. Crawford, IV	Chief Executive Officer	27/5	Wells Fargo Bank, Wachovia Bank , SouthTrust Bank
Eric R. Newell	Chief Financial Officer	12/5	FDIC, Fitch Ratings, Alliance Bernstein
Dena M. Hall	Chief Marketing Officer	19/11	Woronoco Savings Bank
Craig W. Hurty	Chief Human Resources Officer	32/2	Aetna, PacifiCare Health Systems
Mark A. Kucia	Chief Credit Officer	28/10	Liberty Bank, Mechanics Bank, BayBank
Brandon C. Lorey	Head of Consumer Lending	25/3	H&R Block Bank, Chevy Chase Federal Savings Bank
David C. Paulson	Head of Wholesale Banking	30/2	Santander, Wells Fargo, Wachovia
John J. Smith	Chief Information & Administrative Officer	30/0	CIT Group, NYCE Corporation, Summit Bank
Elizabeth Wynnck	Chief Risk Officer	24/4	NewAlliance Bank, Webster Bank

- William H.W. Crawford, IV owns 530,142 shares of stock and options*
- UBNK management owns 1,270,014 shares of stock and options*
- UBNK and United Bank Directors own 1,151,095 shares of stock and options*

*Note: 401k/ESOP share ownership is as of 12/31/15.

Non-GAAP Reconciliation

	Three Months Ended				
	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Net income	\$ 11,894	\$ 9,902	\$ 13,381	\$ 13,332	\$ 13,025
Adjustments:					
Net interest income	(1,900)	(1,617)	(4,092)	(3,512)	(3,432)
Non-interest income	(1,452)	(519)	59	(360)	(338)
Non-interest expense	1,893	3,586	244	454	486
Income tax (benefit) expense	511	(65)	1,326	1,196	1,152
Net adjustment	(948)	1,385	(2,463)	(2,222)	(2,132)
Total operating net income	\$ 10,946	\$ 11,287	\$ 10,918	\$ 11,110	\$ 10,893
Total net interest income	\$ 43,402	\$ 40,693	\$ 41,643	\$ 40,903	\$ 41,343
Adjustments:					
Impact from purchase accounting fair value marks:					
Accretion of loan mark	(1,094)	(718)	(2,787)	(2,194)	(1,871)
Accretion of deposit mark	359	444	841	845	1,079
Accretion of borrowings mark	447	455	464	473	482
Net adjustment	(1,900)	(1,617)	(4,092)	(3,512)	(3,432)
Total operating net interest income	\$ 41,502	\$ 39,076	\$ 37,551	\$ 37,391	\$ 37,911
Total non-interest income	\$ 6,727	\$ 8,463	\$ 7,818	\$ 9,371	\$ 6,835
Adjustments:					
Net (loss) gain on sales of securities	(1,452)	(300)	59	(360)	(338)
BOLI claim benefit	—	(219)	—	—	—
Net adjustment	(1,452)	(519)	59	(360)	(338)
Total operating non-interest income	5,275	7,944	7,877	9,011	6,497
Total operating net interest income	41,502	39,076	37,551	37,391	37,911
Total operating revenue	\$ 46,777	\$ 47,020	\$ 45,428	\$ 46,402	\$ 44,408

Non-GAAP Reconciliation (cont.)

	Three Months Ended				
	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Total non-interest expense	\$ 33,763	\$ 35,305	\$ 31,876	\$ 30,357	\$ 30,657
Adjustments:					
Merger related expense	—	(1,575)	—	—	—
Core deposit intangible amortization expense	(433)	(433)	(433)	(449)	(481)
Loan portfolio acquisition fees	—	(1,572)	—	—	—
Effect of branch lease termination agreement	—	—	195	—	—
Amortization of fixed asset fair value mark	(6)	(6)	(6)	(5)	(5)
FHLBB prepayment penalties	(1,454)	—	—	—	—
Net adjustment	(1,893)	(3,586)	(244)	(454)	(486)
Total operating expense	\$ 31,870	\$ 31,719	\$ 31,632	\$ 29,903	\$ 30,171
Total loans	\$ 4,649,876	\$ 4,613,931	\$ 4,209,618	\$ 4,072,067	\$ 3,904,733
Non-covered loans (1)	(1,334,303)	(1,448,435)	(1,255,618)	(1,356,259)	(1,510,264)
Total covered loans	\$ 3,315,573	\$ 3,165,496	\$ 2,954,000	\$ 2,715,808	\$ 2,394,469
Allowance for loan losses	\$ 35,500	\$ 33,887	\$ 30,832	\$ 28,856	\$ 25,297
Allowance for loan losses to total loans	0.76%	0.73%	0.73%	0.71%	0.65%
Allowance for loan losses to total covered loans	1.07%	1.07%	1.04%	1.06%	1.06%

(1) As required by GAAP, the Company recorded at fair value acquired loans. These loans carry no allowance for loan losses for the periods reflected above.