

Civista Bancshares, Inc. (NASDAQ: CIVB; Sandusky, OH) has agreed to acquire United Community Bancorp (NASDAQ: UCBA; Lawrenceburg, IN)

Deal Value: Approximately \$114.4 Million

Sandler O'Neill served as financial advisor and provided a fairness opinion to Civista Bancshares, Inc. in this transaction. This transaction represents Sandler O'Neill's 158th bank or thrift transaction nationwide since January 1, 2015, representing \$48.2 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

This transaction represents Sandler O'Neill's 28th bank or thrift transaction in the Midwest since January 1, 2015, representing \$13.5 billion in aggregate transaction value, for a greater aggregate deal value than any other investment bank during that time period.¹

Sandusky, OH and Lawrenceburg, IN, March 12, 2018 – Sandusky, Ohio based Civista Bancshares, Inc. (“Civista”) (NASDAQ: CIVB) and United Community Bancorp, the parent company of United Community Bank (“United” or “UCB”) (NASDAQ: UCBA), today announced the signing of a definitive merger agreement pursuant to which Civista will acquire United. Based on financial data as of December 31, 2017, the combined company would have total assets of \$2.1 billion, total loans of \$1.5 billion and total deposits of \$1.7 billion. United operates an eight branch network in southeastern Indiana, five of which are located in the Cincinnati MSA. This acquisition will allow Civista to bring its enhanced commercial lending platform to United’s demographically strong markets. United will provide Civista with low cost core deposit funding and excess liquidity.

Civista currently operates branches and loan production offices from northern Ohio to Dayton, Ohio. The acquisition of United expands Civista’s community banking franchise into and around the Cincinnati MSA. After this strategic partnership, Civista’s community banking platform will operate in each of the five largest Ohio marketplaces.

“This is an extraordinary opportunity for Civista and we are very excited to welcome United’s customers and employees to the Civista family,” said Dennis G. Shaffer, CEO and President of Civista Bancshares, Inc. “United, including its two predecessors, has maintained a strong and stable presence in its local communities for over 100 years. We look forward to collaborating with United’s leadership team to grow and enhance its banking platform while maintaining strong ties to the communities it serves.”

Under the terms of the merger agreement, which has been unanimously approved by the Boards of Directors of both companies, the consideration United shareholders will receive is equivalent to 1.027 shares of Civista common stock and \$2.54 in cash per share of United common stock. This implies a deal value per share of \$26.22 or approximately \$114.4 million based on the 15-day average closing price of Civista’s common stock on March 9, 2018 of \$23.06. The transaction is expected to close in the third quarter of 2018.

Under the proposed merger terms, the acquisition of United is expected to be immediately accretive to Civista’s earnings in 2018 and thereafter. In addition, any tangible book value dilution created in the transaction is expected to be earned back in approximately 3.5 years after closing.

Financial Highlights

(Dollars in thousands)

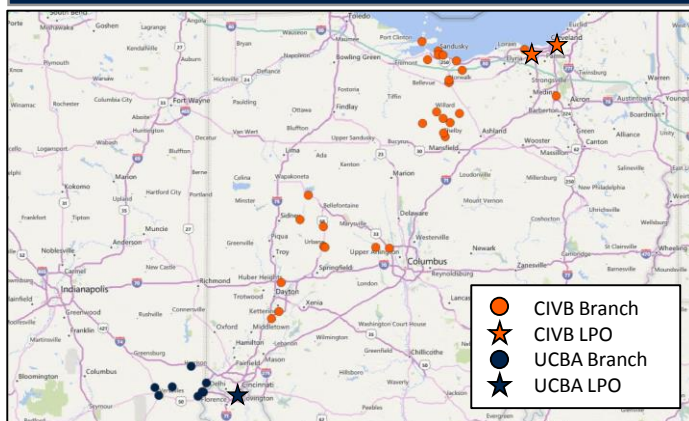
	CIVB	UCBA
Total Assets	\$1,525,857	\$546,219
Total Net Loans	\$1,153,724	\$292,180
Total Deposits	\$1,204,923	\$462,040
Total Equity	\$184,461	\$71,960
Tangible Equity / Tangible Assets	10.47%	12.75%

(1) Excludes terminated transactions and self-advisory roles

Note: Financial data as of December 31, 2017

Source: S&P Global Market Intelligence

Pro Forma Branch Map



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