

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
Civista Bancshares, Inc.		34-1558688	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Dennis G. Shaffer	419-625-4121	dgshaffer@civistabank.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
100 East Water Street		Sandusky, Ohio 44870	
<b>8</b> Date of action		<b>9</b> Classification and description	
September 14, 2018		Common Stock	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
319459202	n/a	CIVB	n/a

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On September 14, 2018 Civista Bancshares, inc. ("CIVB") completed its merger with United Community Bancorp. ("UCB") pursuant to an agreement and plan of merger between CIVB and UCB dated May 9, 2018. UCB merged with and into CIVB. Under the terms of the merger agreement UCB shareholders received 1.027 shares of CIVB's common stock plus \$2.54 in cash for each share of UCB stock held. To the extent that the exchange would have resulted in the issuance of a fractional share of the CIVB common stock to a shareholder a cash payment was made in lieu at the rate of \$24.47 per whole share.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attachment.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attachment - refer to the description of the basis calculation in Part II, Box 15 above. The closing price on September 14, 2018 of a single share of CIVB common stock on the NASDAQ Stock Exchange was \$24.47.

**Part II Organizational Action** *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► The merger of UCB into CIVB on September 14, 2018 qualifies as a reorganization with the meaning of Section 368(a) of the Internal Revenue Code of 1986 (as amended). The income tax consequences of the affected UCB shareholders may be determined under Internal Revenue Code 354, 356, 358 and 1001.

**18** Can any resulting loss be recognized? ► No loss can be recognized upon the exchange by any UCB shareholder who receives one or more whole shares of CIVB common stock in the exchange.

If a taxable loss is calculated on the deemed sale of a fractional share of CIVB common stock deemed to have been received in the exchange, this loss can be recognized by any UCB shareholder, regardless of whether they received one or more whole shares of CIVB common stock in the exchange.

UCB shareholders who received their common shares through the exercise of an employee stock option, a qualified retirement plan, or another form of compensation will be subject to special rules and should consult their tax advisors for proper determination of the tax effect of the merger.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► The merger of CIVB and UCB took place on September 14, 2018, therefore the reporting year is the year that includes the September 14, 2018 date. For calendar year tax payers, this would be a 2018 tax year event.

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.				
	Signature ►	<i>Dennis G. Shaffer</i>	Date ►	<i>10/4/18</i>	
	Print your name ►	<i>Dennis G. Shaffer</i>	Title ►	<i>CEO/President</i>	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<i>Peter A. Igel</i>	<i>[Signature]</i>	<i>3-Oct-2018</i>		
	Firm's name ►	Firm's EIN ►		<i>P00011955</i>	
	Firm's address ► <i>950 Main Avenue, Suite 1100, Cleveland, OH 44113</i>	Phone no.		<i>216-952-5000</i>	

Civista Bancshares, Inc.

34-1558688

Attachment to Form 8937

**REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES**

**Form 8937 Part II, Box 15:**

The merger of UCB with and into CIVB qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. As a result, each UCB shareholder may recognize a taxable gain, or in some cases a taxable loss as follows. UCB shareholders who receive a combination of cash and CIVB shares in the exchange will recognize taxable gain (but not a taxable loss) in an amount equal to the lesser of:

- i. The amount of cash received in the exchange; or
- ii. The amount, if any, by which the sum of the cash received plus the fair market value of the shares of CIVB common stock received in the exchange (measured at the time of the exchange) exceeds the tax basis of the UCB shares surrendered.

For purposes of calculating this taxable gain, the amount of cash received in the exchange does not include cash received in lieu of fractional shares of CIVB common stock (see discussion of cash received in lieu of fractional shares below).

Gain or loss must be calculated separately for each identifiable block of UCB common stock surrendered in the exchange having a common tax basis. A loss realized on one block UCB common shares may not be used to offset a gain realized on another block of UCB common shares. Each UCB shareholder is encouraged to consult their own personal tax advisor regarding the determination of this realized gain or loss on the exchange.

Each UCB shareholder who receives CIVB shares in the exchange is required to determine the tax basis of the shares of UCB common shares surrendered in the exchange having a common tax basis:

- 1) Begin with the aggregate tax basis of the UCB common shares surrendered in the exchange
- 2) Add the amount of taxable gain, if any, determined from the above circulation (excluding any gain or loss resulting from the deemed receipt and sale of fractional shares described below)
- 3) Subtract the total amount of cash received (excluding any cash received in lieu of fractional shares described below)
- 4) Subtract the tax basis in any fractional shares of CIVB common stock that were deemed to have been received in the exchange and immediately sold (see the treatment of fractional shares described below)

The resulting figure represents the aggregate tax basis of the shares of CIVB common stock received in the exchange for that identifiable block of UCB common shares transferred. The tax basis of each individual share of CIVB common stock within this identifiable block is determined by dividing this aggregate tax basis by the number of CIVB common shares that comprise this identifiable block.

UCB shareholders who receive cash in lieu of a fractional share of CIVB common stock are, for purposes of determining the taxability of that cash, deemed to have received the fractional share in the exchange and then as having sold the fractional share for cash. These UCB shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the UCB common shares deemed to have been exchanged for the fractional share and the amount of cash received.

**Form 8937 Part II, Box 16:**

Refer to the description of the basis calculation in Part II, Box 15 above. The September 14, 2018 closing price of a single share of CIVB common stock on the NASDAQ Stock Exchange was \$24.47.