

Civista Bancshares, Inc.

First Quarter 2026 Earnings Call

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PRESENTATION

Operator

Before we begin, I would like to remind you that this conference call may contain forward-looking statements with respect to the future performance and financial condition of Civista Bancshares, Inc. that involve risks and uncertainties. Various factors could cause actual results to be materially different from any future results expressed or implied by such forward-looking statements. These factors are discussed in the Company's SEC filings, which are available on the Company's website. The Company disclaims any obligation to update any forward-looking statements made during the call.

Additionally, Management may refer to non-GAAP measures, which are intended to supplement, but not substitute, the most directly comparable GAAP measures. The press release, also available on the Company's website, contains the financial and other quantitative information to be discussed today, as well as the reconciliation of the GAAP to non-GAAP measures.

This call will be recorded and made available on Civista Bancshares' website at www.civb.com. At the conclusion of Mr. Shaffer's remarks, he and the Civista Management team will take any questions you may have.

Now, I will turn the call over to Mr. Shaffer. Please go ahead.

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

Good afternoon. This is Dennis Shaffer, President and CEO of Civista Bancshares, and I would like to thank you for joining us for our first quarter 2026 earnings call. I'm joined today by Chuck Parcher, EVP

of the Company and President of the Bank, Rich Dutton, SVP of the Company and Chief Operating Officer, Ian Whinnem, SVP of the Company and Chief Financial Officer, and other members of our executive team.

This morning, we reported net income for the first quarter of \$15 million, or \$0.72 per diluted share, which represents a \$4.8 million, or 47 percent increase over our first quarter of 2025, and a \$2.7 million, or 22 percent increase over our linked quarter. This also represented an increase in pre-provision net revenue of \$3.8 million, or 29 percent over our first quarter in 2025, and a \$3.2 million, or 3.8 percent increase over our linked quarter.

Our first quarter highlights include the successful completion of the core system conversion of the Farmer Savings Bank that we acquired during the fourth quarter of 2025. As a result, our first quarter earnings include what should be the last expenses associated with the acquisition. These one-time expenses impacted our first quarter net income by approximately \$400,000, or \$0.02 per common share.

For the quarter, core deposit funding increased organically by over \$60 million. This allowed us to reduce broker deposits by \$25 million. This represents the sixth consecutive quarter in which we reduced brokered funding. Our net interest margin expanded by 16 basis points to 3.85 percent, as we continued our disciplined approach to managing our asset pricing and funding costs. Our earning asset yield for the quarter increased by 5 basis points over our linked quarter to 5.66 percent.

Our cost of funds was 1.96 percent for the quarter, down 35 basis points from the first quarter of 2025, and 12 basis points from the linked quarter, while our cost of deposits was 1.81 percent, down 19

basis points year-over-year, and 11 basis points sequentially. Our decline in funding cost was largely attributable to \$125 million in brokered CDs that matured in late December that carried a weighted average rate of 4.23 percent. We were able to replace and reduce these maturing brokered CDs with \$100 million in brokered CDs with a weighted average rate of 3.87 percent, representing a savings of 36 basis points, in addition to reducing the amount of brokered funding.

Net interest income for the quarter was \$37.8 million, which represents an increase of \$5.1 million, or 15 percent, compared to the first quarter of 2025, and an increase of \$1.4 million, or 4 percent, compared to our linked quarter.

Despite loan balances being down, we had strong loan production across our footprint during the quarter that was offset by significant payoffs. Our lending teams generated \$214 million of new loan production during the quarter that was offset by \$83 million in early payoffs, in addition to normal principal paydown.

Our ROA for the quarter was 1.41 percent, our ROE for the quarter improved to 10.97 percent, and our tangible book value per share improved to \$19.70. Our continued strong financial performance and ability to consistently create capital gives us options as we think about the best ways to deploy our capital. Earlier this week, we announced a quarterly dividend of \$0.18 per share, which is consistent with our prior dividend and the renewal of our stock repurchase program, authorizing Management to repurchase up to \$25 million in outstanding common shares.

During the quarter, non-interest income declined by \$453,000, or 4.6 percent, from our linked quarter, and increased \$1.6 million, or 20 percent, over the first quarter of 2025. The primary driver of

the decline from our linked quarter was a \$336,000 decline in card fees due to the typical elevated spending that comes during the holiday.

The primary drivers of the increase in non-interest income over the prior year were a \$190,000 increase in service charges, a \$1 million increase in net gains on loan and lease sales, and a \$444,000 increase in other income related to reserves that have been established that are insurance subsidiary for claims that subsequently never materialize.

Non-interest expense declined by \$1.1 million, or 3.6 percent, from our linked quarter, and increased \$2.7 million, or 10 percent, over the prior year. The decline from our linked quarter was the result of a commission accrual adjustment in the fourth quarter of 2025. Our actual commission expense was \$1.4 million lower than what had been accrued and was adjusted in the fourth quarter. We are now adjusting all accruals at least quarterly.

The primary driver of the increase in non-interest expense over the prior year was a \$2.2 million increase in compensation expense associated with increased salaries, commissions, and medical expenses. In addition to annual increases, our average FTE employees increased from 520 in the first quarter of last year to 535 in the first quarter of 2026. Much of the increase in FTEs came from the employees that joined us through our recent Farmers acquisition. We also had \$400,000 in other expenses that we believe will be the last significant expenses related to the acquisition.

Our efficiency ratio for the quarter improved to 60.1 percent, compared to 64.9 percent for the prior year first quarter. Our effective tax rate was 16.8 percent for the quarter.

Turning our focus to the balance sheet, strong loan production across our footprint was offset by significant payoffs during the quarter. Our lending teams generated \$214 million of new loan production during the quarter that was offset by \$83 million in payoffs in addition to normal principal paydowns. This compares to the prior year's first quarter when we originated \$181 million in new loans, and we experienced \$21 million in loan payoffs. We consider these good payoffs as they were successful real estate projects that were sold or taken to the permanent market.

We also had a few loans to operating companies that were sold during the quarter and paid off their loans. Loan production grew with each month's production during the quarter from \$49 million in January, to \$59 million in February, to \$106 million in March. During the quarter, new and renewed commercial loans were originated at an average rate of 6.52 percent and leases were originated at an average rate of 9.03 percent. Additionally, our undrawn construction lines were \$175 million at quarter end compared to \$161 million at year end. We ended the quarter with a loan to deposit ratio of 92 percent.

Loans secured by office buildings make up only 4.7 percent of our total loan portfolio. As we have stated previously, these loans are not secured by high-rise metro office buildings. Rather, they are predominantly secured by single or two-story offices located outside of central business districts. We also have very little exposure to non-deposit financial institutions.

As a commercial real estate lending bank, we are mindful of our non-owner-occupied CRE concentration and continue to diversify our loan portfolio. At March 31, 2026, our CRE to risk-based capital ratio was 261 percent. While we experienced a reduction in total loans during the quarter, loan

demand remained solid in each of our markets and our pipelines continued to grow. At March 31, 2026, our residential mortgage loan pipeline was up 25 percent, and our commercial loan pipeline was up 102 percent over the prior year. We anticipate growing the loan portfolio at a mid-single-digit rate over the balance of the year.

On the funding side, total deposits increased \$35.4 million or an annualized growth rate of 4 percent. However, if we back out the broker deposits, our core deposit balances grew by \$60.4 million or 8 percent for the quarter. This represents six of the last seven quarters in which we have grown our core deposit balances while reducing our cost of funds. Much of this growth came in interest-bearing demand accounts and in our savings and money market accounts. This increase in lower rate deposits combined with our continued shift from broker deposits to more core deposit funding contributed to an 11 basis point decline in our cost of deposits from the linked quarter.

Our deposit base remains fairly granular with our average deposit account excluding CDs approximately \$28,000. Other than the \$523 million of public funds, which are primarily operating accounts with various municipalities across our footprint, we had no deposit concentrations at quarter end.

Our commercial bankers, treasury management officers, private bankers, and retail staff continue to have success gathering additional deposits from our commercial, small business, and retail customers as evidenced by our organic deposit growth. We believe our low-cost deposit franchise continues to be one of Civista's most valuable characteristics, contributing significantly to our solid net interest margin and overall profitability.

We view our securities portfolio as a significant source of liquidity. At quarter end, our securities portfolio totaled \$682 million, which represented 16 percent of our balance sheet, and when combined with our cash balances, represents 22 percent of our total deposit. Our securities are classified as available for sale and have \$49 million or approximately 7 percent of unrealized losses associated with them.

Civista's strong earnings continue to create capital, and our overall goal remains to maintain our capital at a level that supports organic growth and allows for prudent investment into our Company. Earlier this week, we announced an \$0.18 per share dividend based on the quarter end market close of \$22.79. This represents an annualized yield of 3.16 percent and a payout ratio of 25 percent. We view this as a sign of confidence Management and our Board of Directors have in Civista's ability to continue generating strong earnings.

Additionally, Civista's Board of Directors increased and renewed a \$25 million common share repurchase authorization earlier this week. While we have not repurchased any shares in the past several quarters, our regulatory capital and tangible common equity ratios are strong and continue to grow. We continue to believe our stock is a value and will continue to evaluate repurchase opportunities.

During the quarter, we made a \$768,000 credit to our provision and had net charge-offs of \$716,000. The credit to our provision was attributable to lower expected losses due to lower outstanding loans in our continued strong credit metrics. Our ratio of the allowance for credit losses to total loans is 1.26 percent at March 31, 2026, which is consistent with the 1.28 percent at December 31,

2025. Similarly, our ratio of allowance to non-performing loans of 135 percent was virtually unchanged when comparing the same period.

Other than a general concern over the impact of macroeconomic uncertainties, the economy across Ohio and southeastern Indiana is showing no sign of deterioration and our credit quality remains strong. In summary, we are very pleased with the continued expansion in our net interest margin, our ability to generate non-interest income from diversified revenue streams, and to control our non-interest expense. We are also very pleased with our team's success in attracting more lower-cost funding, which allowed us to continue reducing our dependency on brokered funding and anticipate mid-single-digit deposit and loan growth for the balance of 2026.

Overall, 2026 is off to a good start and our focus continues to be on creating shareholder value. Thank you for your attention this afternoon and in your investment, and now we'll be happy to address any questions you may have.

Q & A

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press star followed by the number one on your touchtone phone. You will hear a prompt if your hand has been raised. Should you wish to decline from the polling process, please press star followed by the number two. If you're using a speakerphone, please lift the handset before pressing any keys.

Our first question comes from the line of Brendan Nosal from Hovde Group. Your line is now open.

Brendan Nosal — Analyst, Hovde Group

Hey, good afternoon, guys. Hope you're doing well. Maybe just starting off here on the loan growth outlook, totally get the moving pieces this quarter. I mean, it sounds like origination activity is quite strong with the payoffs for a significant headwind for this quarter. I guess just as you look ahead, what gives you confidence that payoff levels will decline such that you can get back to that mid-single-digit pace of growth?

Charles Parcher — Executive Vice President, Civista Bancshares, Inc. / President, Civista Bank

We watch those closely. This is Chuck. We watch those closely. We've got a couple of other large ones we know that we're going to look at here in the second quarter, but we still think we're going to see some growth in the second quarter. We feel like that mid-single-digit outlook is pretty good looking forward. I've got confidence in what, as Dennis mentioned in his comments, our pipeline today is twice as large as it was at the pipeline at the same time last year, and we've got to get those to the closing table. Our—just based on the production we had in the first quarter, as Dennis also alluded to, our undrawn construction funds are \$14 million higher at the end of this quarter than they were at the end of the year, so we feel good about, kind of prognosticating out that mid-single-digit.

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

Then first quarter typically is slower for us, too, Brendan, and just because we do some construction-type commercial construction loans and stuff. Chuck alluded to, I think we put on a lot of balances there towards the end of the first quarter, and some of those were construction projects that we think those funds will draw up.

Brendan Nosal — Analyst, Hovde Group

Okay. Okay. Thanks for the colour there. Maybe pivoting to the net interest and margin, a lot of margin extension this quarter, certainly more than I was expecting. As we look ahead, if we're in an environment where we don't get any more Fed rate cuts this year, how do you see the margin trending from this quarter's 385 level?

Ian Whinnem — Senior Vice President and Chief Financial Officer, Civista Bancshares, Inc.

Hey, Brian, this is Ian. Second quarter, we expect flat to maybe a little bit of expansion 1 to 2 basis points, and then likely putting that in the mid-to-upper 380s, and then leveling out in the high 380s in Q3 and beyond. That's with no rate cuts being planned. If there is a rate cut, we expect that to be maybe 1 to 2 basis points lower. If there's a rate increase at the end of the year, it could be 1 to 2 basis points higher.

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

Brendan, we do have about \$60 million of loans repricing in the second quarter, and I think about \$140 million after that for the remainder of the year. A couple hundred million dollars of loans will reprice from the 475 range to, if they reprice today, in the 6s.

Brendan Nosal — Analyst, Hovde Group

Okay. Okay. That's very helpful colour. Thank you for taking my questions.

Operator

Our next question comes from the line of Jeff Rulis from D.A. Davidson. Your line is now open.

Jeff Rulis — Analyst, D.A. Davidson

Thanks. Good afternoon. Late last year, we had discussions of kind of the bank putting up \$0.75 in quarterly earnings towards the end of '26, implying a \$3 annual run rate. It kind of seems like you pulled that forward nine to 12 months. You're basically at that, at the core level. I guess, as you think about where you reorient with kind of the outlook from here, not to put you on the spot of earnings, but I guess how do you met that opportunity with also, as you talked about, the buyback?

Ian Whinnem – Senior Vice President and Chief Financial Officer, Civista Bancshares, Inc.

I would say, Jeff, part of the earnings lift this time was that provision. We didn't have to fund any loan growth. That's going to cost us a couple of cents every quarter on top of the couple of cents reduction that we got this quarter. From a normalized basis, that's 72. It's probably more in the mid-60s. Not quite into that run rate of \$0.75 yet, but we do still anticipate getting there towards the end of this year, maybe into first quarter next year.

Jeff Rulis — Analyst, D.A. Davidson

Got it. Appreciate that. Then, I guess on the expense run rate, I think we talked previously that as merit increases kind of kick in in the second quarter offset by maybe some, the convergence complete. Just try to walk through the quarterly progression. Do you see sort of flat-link quarter on a core basis and then maybe inch to a little, some savings? Or how do you see the outlook on run rate?

Ian Whinnem – Senior Vice President and Chief Financial Officer, Civista Bancshares, Inc.

Excluding the non-recurring items, we're at 29.4 for the first quarter. That would include some of the, I'll call them duplicative operating expenses, pre-conversion, having two cores and some staff that's no longer with Civista. We've also done reinvestment back into the Company by hiring some revenue generating colleagues, some marketing spend, and some tech improvements. With that, we're anticipating second quarter being 29.5 to 30, and then probably a little bit of an expansion maybe to 30, 30.7 in the third quarter and fourth quarter.

Dennis Shaffer – President & Chief Executive Officer, Civista Bancshares, Inc.

But we have more merit increases that took effect in the, took effect April 1. That's in those expense numbers for the year.

Jeff Rulis – Analyst, D.A. Davidson

Okay. Any sort of cost saves kind of offset by investment, kind of getting to that run rate that you outlined?

Ian Whinnem – Senior Vice President and Chief Financial Officer, Civista Bancshares, Inc.

Yeah, that's correct. Yeah. It's helping to fund some of those cost, or cost investments or spend investments that were just mentioned.

Jeff Rulis — Analyst, D.A. Davidson

Okay. Thank you. I'll step back.

Ian Whinnem — Senior Vice President and Chief Financial Officer, Civista Bancshares, Inc.

Thank you.

Operator

Your next question comes from the line of Adam Kroll from Piper Sandler. Your line is now open.

Adam Kroll — Analyst, Piper Sandler

Hey, guys. Good afternoon, and thanks for taking my question. Yeah, maybe just starting on deposits, some really impressive core deposit growth during the quarter. Just given some of the recent investments you made on the tech side, I was just curious how large of a contributor was the digital channel to that growth, and maybe just overall prospects within that segment?

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

We think it's helping some. Most of our investments are aimed at making it easier to do business with us. It is helping some. We have all set up to do online account opening now with our digital apps and stuff. We are getting that. The bigger thing that's helping us in some of the deposit growth, at least

the organic stuff, is just some of the recent disruption within our marketplace. Ohio's had quite a bit of disruption. We think by, one, the investments we made into the technology, and making it easier to do business with us, and then just that disruption, we think we're very well-positioned, I think, to attract new clients to the bank and to expand existing relationships.

Our teams are doing a fantastic job with their calling efforts. We're being really collaborative, and we're going to market as a team. I think through their efforts and just making it easier to do business with us, and that disruption, that's the reason behind a lot of that deposit growth.

Adam Kroll — Analyst, Piper Sandler

Got it. I really appreciate the colour there. Sticking on the funding side, deposit costs came down quite nicely during the quarter. I was just curious, are you still seeing opportunities to reduce funding costs on both the maturity and non-maturity side, if the Fed were to remain on hold?

Ian Whinnem – Senior Vice President and Chief Financial Officer, Civista Bancshares, Inc.

Yeah. Right now, this is Ian. If the rates stay flat on the CDs that are maturing, we're renewing those or picking up new CDs at about the same. Same with those brokers, we're not going to see that significant increase that we saw from the Q4 maturities into Q1. We have some wiggle room on some of our non-maturities. For the most part, I think most of that's passed, and will be staying about the same.

Adam Kroll — Analyst, Piper Sandler

Got it. Last one for me, Ian, I was wondering if you had the purchase accounting accretion number for the quarter?

Ian Whinnem – Senior Vice President and Chief Financial Officer, Civista Bancshares, Inc.

I will have to follow up with you on that.

Adam Kroll – Analyst, Piper Sandler

Okay. Perfect. Thanks for taking my questions.

Dennis Shaffer – President & Chief Executive Officer, Civista Bancshares, Inc.

Thanks, Adam.

Operator

Your next question comes from the line of Tim Switzer from KBW. Your line is now open.

Timothy Switzer – Analyst, KBW

Hey, good afternoon. Thanks for taking my question. First off, congrats on the retirement announcement, Dennis, and for Chuck on becoming CEO. That's exciting news.

Charles Parcher – Executive Vice President, Civista Bancshares, Inc. / President, Civista Bank

Thank you.

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

Thank you.

Timothy Switzer — Analyst, KBW

Most of my questions have been asked already, but the first one I have is on deposit competition. There's been some chatter about it picking up a little bit. Can you talk about what you guys have seen in your markets, and if there's any specific geographies or deposit categories where it's been a little bit more intense?

Charles Parcher — Executive Vice President, Civista Bancshares, Inc. / President, Civista Bank

I would tell you—this is Chuck, I think it's almost equally intense across almost all of our, at least our major metro markets. Obviously, the most banked of all the cities is Columbus, so we're probably seeing a little bit more pressure there from the rate side. But we've held our own pretty well, as you can tell by the deposit growth that we've had, and we feel like we're priced properly to continue to retain our clients and grow at that mid-single-digit pace. It is very competitive. We're still seeing some banks with some four handles, and we're kind of in the high threes right now, but we feel good about where we're at.

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

We're really just focused on relationships, growing relationships, and providing value and providing solutions for our clients. Again, I think attacking the market from a team perspective by

bringing different business lines in to meet a lot of our business customers, I think has been working for us, and that's really going to be our focus. With that disruption, I think it gives us opportunity there.

Charles Parcher – Executive Vice President, Civista Bancshares, Inc. / President, Civista Bank

Yeah, to Dennis' point, the disruption, some of the bigger players in our market, Huntington, Fifth Thirds, Parks, First Financials, are all working on acquisitions, not just in Ohio, but in other regions. I feel like they're eyes off the ball a little bit on Ohio. Our biggest competition is coming from really some of the smaller institutions, from a rate perspective, not from a, I guess, competitive perspective, but from a rate perspective.

Timothy Switzer — Analyst, KBW

Got it. Very helpful. Then the last question I had was in terms of credit. Any areas that have caused you guys to want to pull back at all, or any levels of concern? Do you have exposure to any end market that could maybe be exposed by the higher oil prices?

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

Go ahead, Mike.

Michael Mulford – Senior Vice President and Chief Credit Officer, Civista Bancshares, Inc.

This is Mike. No, we're not seeing anything as market specific or industry specific right now that's causing us any concerns, especially to pull back on any areas.

Timothy Switzer — Analyst, KBW

Great. Good to hear. Thank you, guys.

Michael Mulford — Senior Vice President and Chief Credit Officer, Civista Bancshares, Inc.

Thank you.

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

Thanks, Tim.

Operator

Your next question comes from the line of Matthew Breese from Stephens. Your line is now open.

Matthew Breese — Analyst, Stephens

Hey, good afternoon.

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

Good afternoon, Matt.

Matthew Breese — Analyst, Stephens

I wanted to just touch on the NIM a little bit. I know you didn't have a credible yield at your fingertips, but maybe you could help me out. To what extent do prepayment fees play a role this quarter

in loan yields and the NIM? Was that a factor, and is that a factor in your more stable guide in the back half of the year?

Ian Whinnem – Senior Vice President and Chief Financial Officer, Civista Bancshares, Inc.

No, this is Ian. The payoffs really didn't impact the NIM that way. We got a little bit of fee income on those of just breakage fees, but nothing in the NIM. As Dennis had mentioned earlier, we have a lot of loans that are just going to be repricing in the remainder of the year, so they're going to be moving from these mid 4s into the low 6s. That's the stuff that we saw come across in first quarter, and we'll continue to see for the remainder of the year just some NIM lifts coming from that.

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

Yeah, the biggest NIM lift, again, was the repricing of that brokered CD and the reduction of it. We reduced it \$25 million, then we repriced \$100 million and picked up 36 basis points. Now, that contributed more. Then on the fee income side, it was just really, most of those fees were generated by our residential mortgage teams and our leasing group, who both had much better production and results than we had a year ago. That's where a lot of the fees came from.

Matthew Breese — Analyst, Stephens

Understood. You had mentioned just some of the fixed asset repricing. Outside of loans that are pure floating, priced off of prime or SOFR, what is the cash flow schedule and maturity schedule for fixed rate and adjustable rate loans for the rest of the year? New origination yields, I'm assuming, are in the mid to high 6s. Is that accurate there?

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

That's correct on what's the repricing. We're somewhere in that 6.5 percent range as far as new loans going on and things that would adjust. Most of them are, the real estate loans are written on five-year adjustables, and the average margin on those are probably 275 over a five-year treasury or so, which would take us a little bit, maybe 6.5, 6.6 to me. We're looking for your, what was your other question?

Matthew Breese — Analyst, Stephens

Just for loans that are either fixed rate or adjustable, kind of quarterly maturities or quarterly cash flows. You had mentioned that what's maturing is going from a four-handle to a six-handle. I just want to get some sense for how much is going to mature this year?

Charles Parcher — Executive Vice President, Civista Bancshares, Inc. / President, Civista Bank

I would tell you over the next 12 months, we've got a little over \$200 million.

Richard Dutton — Senior Vice President and Chief Operating Officer, Civista Bancshares, Inc.

Yeah, \$60 million of that, this is Rich, \$60 million of that will happen in the next quarter in Q2, the balance of it for the rest of the year.

Charles Parcher — Executive Vice President, Civista Bancshares, Inc. / President, Civista Bank

Right.

Matthew Breese — Analyst, Stephens

Got it. Okay. Then you'd mentioned brokered being a big area of deposit cost pickup. How much of that is maturing over the next three quarters? What are the rates or what is the estimated rate on the stuff that's maturing?

Ian Whinnem – Senior Vice President and Chief Financial Officer, Civista Bancshares, Inc.

Yeah. We had some that matured in April or is maturing this month. That was at 370, repricing a little bit under four. Then we have about another 125 maturing still this quarter outside of April. That's in that 380 range. Then a little bit in September.

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

We've stayed relatively short on all of that. It's going to reprice pretty close to where it's at today, maybe a little bit higher. But again, our plan is to continue to gather deposits and reduce brokered to help offset some of that too.

Matthew Breese — Analyst, Stephens

Got it. Okay. Last one for me is just on resi production that you keep for yourselves and put on the balance sheet versus pursue the secondary market and gain on sale. What is kind of the breakdown of that, and did it shift more towards gain on sale this quarter? Just seasonality-wise, I would expect gain on sale to be down this quarter, but you were up modestly. I'm just curious how that breakdown was.

Charles Parcher – Executive Vice President, Civista Bancshares, Inc. / President, Civista Bank

Our breakdown by number is usually, or it has been here for the last couple quarters, is about 60 percent sold, 40 percent portfolio. I would tell you that from a balance perspective, that probably runs close to 50-50 just because the stuff that we have to hold on the balance sheet is usually some of our private banking, what I call physician loans and some of the higher things, higher balance construction. Dollar volume 50-50, number 60-40. We feel like it's going to probably continue to trend that way. If we can get any kind of blip downward in interest rates, we'll see a little bit more refinance action. That refinance action is normally much more 80-20-ish that would be sold versus held. But that's the run rate we've had here over the last couple quarters.

Matthew Breese — Analyst, Stephens

All right. I'll leave it there. Thank you for taking my questions.

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

Thanks, Matt.

Operator

Your next question comes from the line of Adam Kroll from Piper Sandler. Your line is now open.

Adam Kroll — Analyst, Piper Sandler

Hey, guys. Just to follow up for me, it's a pretty strong start to the year on the core fee income side. I know leasing can kind of jump around, but I'm just curious how you're thinking about core fee income growth for the remainder of the year?

Ian Whinnem – Senior Vice President and Chief Financial Officer, Civista Bancshares, Inc.

Yeah. For the non-interest income, yeah, so as you mentioned, strong first quarter. Had a good recovery on the mortgage and CLF when compared to this time last year. We did have a captive reinsurance reserve release that occurred in the first quarter. That would be non-recurring, and only a small amount of security gains. When we adjust for the seasonality of gain on sale, thinking that Q2 comes in between 9.1 and 9.5, and then maybe increasing another quarter million in the third quarter just due to seasonality on gain on sale.

Adam Kroll — Analyst, Piper Sandler

Okay. Got it. Thanks for taking my questions.

Operator

Your next question comes from the line of Daniel Cardenas from Brean and Capital. Your line is now open.

Daniel Cardenas — Analyst, Brean Capital

Hey, good afternoon, guys.

Charles Parcher – Executive Vice President, Civista Bancshares, Inc. / President, Civista Bank

Hi there, Dan.

Daniel Cardenas — Analyst, Brean Capital

Just a quick question. Given the market disruption that we've seen in Ohio, what kind of opportunities is that presenting for you on the talent addition side?

Charles Parcher – Executive Vice President, Civista Bancshares, Inc. / President, Civista Bank

It's been really good for us, to be honest with you, Dan. I mean, we've had a lot of, not moving as far as lenders moving out, but we've reassigned some people, people got promoted, et cetera. We've done a really good job of picking up talent from those institutions that have had some M&A activity with them.

The one we still benefit from even today, even though it's probably the farthest one away, is the whole West Banco Premier piece. We continue to get some talent from that area, but it's probably the one that we've probably got the most talent from in our entire organization, but it's been good. Everybody sitting around our table right now is continuing to get calls from some of those institutions to see if we've got opportunities here.

Probably our most recent acquisition came from the Westfield deal that got sold. Our new treasurer just came over, started a month ago from their institution. It's been really good for us to be able to upgrade talent.

Daniel Cardenas — Analyst, Brean Capital

Excellent. Then I know you just completed the FSB deal, but as you look at future acquisitions, I mean, geographically, where do you see yourself targeting?

Charles Parcher – Executive Vice President, Civista Bancshares, Inc. / President, Civista Bank

I think we're going to be very similar. Our thoughts are still very similar to what they always have been. Ohio and adjoining states is probably as far as we would look right now. Obviously if it's a fill-in, it would be a little bit more preferable than to an add-on in some of those locations. But I think that we're not going to jump to Tennessee or to South Carolina or wherever. We're going to kind of stick to our knitting and stay within our marketplace right now, Ohio and the adjoining states.

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

Yeah, and I would just say, Dan, that our first priority really is on organic initiatives that create sustainable value for the Company. We made, as I mentioned, we made a lot of investments in technology that makes it easier to do business with us. With all that disruption, we think we're really well positioned to attract new clients and deepen those relationships.

We continue to maintain pretty good dialogue with a lot of the banks within our footprint here. But anything we would do, I think we need to create great strategic value for us and be financially compelling. But our main focus really right now is on building capacity from within and prioritizing just some of that organic development.

Daniel Cardenas — Analyst, Brean Capital

Great. Appreciate that. Thank you.

Operator

There are no further questions at this time. I will now turn the call over to Mr. Schaefer. Please continue.

Dennis Shaffer — President & Chief Executive Officer, Civista Bancshares, Inc.

Okay. In closing, I just want to thank everyone for their investment in Civista and for joining today's call. Our first quarter results, I think we're doing large parts of the hard work and discipline of our team. I'm very pleased with this quarter's accomplishments, our strong financial results, and just the disciplined approach that we have here in managing Civista. I remain very confident that we are well positioned for long-term future success.

I look forward to talking to you all again in a few months to share our second quarter results. Thank you for your time today.

Operator

Ladies and gentlemen, this concludes today's conference call. Thank you for your participation. You may now disconnect.