ServisFirst Bancshares, Inc.

RATINGS

ServisFirst Bancshares, Inc.	
Action: Affirmed	12/12/25
Outlook/Watch LTR	**Stable**
Senior Unsecured Debt	**BBB+**
Subordinated Debt	**BBB**
Short-Term Debt	**K2**

ServisFirst Bank	
Action: Affirmed	12/12/25
Outlook/Watch LTR	**Stable**
Deposit	**A-**
Senior Unsecured Debt	**A-**
Subordinated Debt	**BBB+**
Short-Term Deposit	**K2**
Short-Term Debt	**K2**

FINANCIAL SNAPSHOT

SFBS (%)	2025	2024
Total Assets ($B)	**17.7**	**17.4**
ROAA	**1.56**	**1.39**
NIM	**3.13**	**2.83**
NCO Ratio	**0.21**	**0.09**
NPA Ratio	**1.25**	**0.31**
TCE Ratio	**10.4**	**9.2**
CET1 Ratio	**11.7**	**11.4**
Loans/Core Dep	**104**	**100**

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Company Profile

- ServisFirst Bancshares, Inc. (NYSE: SFBS) ("the company"), headquartered in Birmingham, Alabama, is a $17.7 billion-asset bank holding company that conducts operations through its lead subsidiary, ServisFirst Bank. With a branch-lite network of 33 offices, SFBS' footprint primarily covers prominent southeastern MSAs, situated in contiguous states of Alabama, Tennessee, Georgia, Florida, the Carolinas, and Virginia, while the company recently entered the Houston, TX market. The company maintains a traditional commercial banking model centered on "loan making and deposit taking" catering to small and medium-sized businesses in its markets. Complementing its core spread-lending operations, the company maintains a sizeable correspondent banking platform that offers clearing, liquidity, credit, settlement, and international services to more than 380 small community banks across the U.S.
- The composition of the loan book reflects a commercially focused business model, with nearly 90% of its $13.7 billion book tied to commercial lending. Investor CRE (inclusive of multifamily and C&D lending) represents the largest segment at 45% of total loans, followed closely by C&I at 43% (including owner-occupied CRE, agriculture, and NDFI). Consumer exposure is modest, with residential mortgage comprising just 12% of the portfolio.

Key Credit Considerations

- SFBS' ratings are supported by its stronger-than-peer earnings profile that has held up well despite the volatile interest rate environment. As a traditionally liability-sensitive institution, driven by a rate-sensitive deposit base featuring large and sophisticated commercial customers and Fed Funds purchased funding component, earnings have moderated from a cyclical high in 2022, due to NIM compression and lower net interest income. Nonetheless, recent earnings performance as evidenced by ROA remains 45 bps above peers at 1.56% for 2025. As such, KBRA is comfortable with the company's narrow, spread-reliant business model, which generates limited fee income (8% of operating revenue) but benefits from consistent execution and strong cost discipline.
- The period of outsized loan growth from 2020-2022 contributed to a notable decline in capital metrics, with the CET1 ratio troughing at 9.4% in 3Q22. Management has executed a multi-year effort to rebuild core capital as evidenced by a 230-bp increase in the CET1 ratio to 11.7% at 4Q25. While risk-weighted capital metrics remain modestly below rating category medians, KBRA expects metrics to remain somewhat stable given its concentrated business mix and exposure to large-dollar CRE and C&D lending.
- The ratings also reflect management's conservative underwriting resulting in historically contained loss content averaging 10 bps since 2021. KBRA acknowledges negative credit migration trends – hardly dissimilar to peers – as NCOs and NPAs increased to 0.20% and 1.25% at 4Q25. We believe the slight deterioration in credit quality is temporary in nature as management attributed the increase in charge-off activity to idiosyncratic events. Furthermore, the uptick in NPAs stemmed from a relationship with a merchant developer - consisting of eight loans – in which SFBS was able to obtain additional collateral to bolster its position and expects resolutions that will produce meaningful liquidity in the near-term.

Rating Sensitivities

+ While the Stable Outlook reflects KBRA's view that a rating change is not expected over the medium term, increased revenue diversification bolstering the earnings profile along with the maintenance of asset quality metrics within historic norms and capital metrics in line with the rating category, could result in positive rating momentum over time.

– A more aggressive capital management strategy and while not expected, material deterioration in credit quality or the company's liquidity profile would also be viewed negatively.

Financial Institutions: Bank & Bank Holding Company Global Rating Methodology 08 Nov 2021. ESG Global Rating Methodology 16 Jun 2021.

Financial Metrics

ServisFirst Bancshares, Inc.

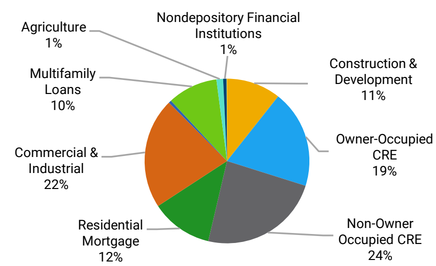
	4Q25	3Q25	2Q25	1Q25	4Q24	2025	2024	2023	2022	2021
Balance Sheet ($ Millions)										
Loans (HFI)	13,697	13,312	13,233	12,887	12,606	13,697	12,606	11,659	11,688	9,533
Average Earning Assets	17,192	17,106	17,052	17,167	16,619	17,129	15,799	14,593	14,172	13,052
Total Assets	17,727	17,584	17,379	18,637	17,352	17,727	17,352	16,130	14,596	15,449
Core Deposits	13,199	13,157	12,891	13,439	12,600	13,199	12,600	12,431	10,923	11,896
Total Deposits	14,219	14,107	13,862	14,429	13,543	14,219	13,543	13,274	11,547	12,453
Total Equity	1,850	1,782	1,722	1,669	1,617	1,850	1,617	1,440	1,298	1,152
Tangible Common Equity	1,836	1,767	1,707	1,654	1,602	1,836	1,602	1,426	1,283	1,137
Income Statement ($ Millions)										
Net Interest Income	146.5	133.4	131.7	123.6	123.2	535.2	446.7	410.9	470.9	384.5
Noninterest Income	15.7	10.6	9.0	8.3	8.8	43.6	35.2	30.4	40.0	29.5
Noninterest Expense	46.7	48.0	44.2	46.1	46.9	185.0	181.3	178.0	158.3	129.8
Provision for Loan Losses	7.9	9.5	11.3	6.6	5.7	35.3	21.6	18.7	37.6	31.5
Net Income	86.4	65.6	61.4	63.2	65.2	276.6	227.2	206.9	251.5	207.7
Performance Measures (%)										
Return on Average Assets	1.93%	1.48%	1.39%	1.43%	1.53%	1.56%	1.39%	1.37%	1.71%	1.54%
Return on Average Equity	19.09%	15.01%	14.53%	15.41%	16.38%	16.06%	15.06%	15.08%	20.72%	19.28%
Return on Risk-Weighted Assets	2.19%	1.70%	1.62%	1.73%	1.82%	1.84%	1.63%	1.52%	1.99%	2.09%
Net Interest Margin (TE)*	3.39%	3.13%	3.10%	2.89%	2.97%	3.13%	2.83%	2.82%	3.32%	2.95%
Average Loan Yield	6.34%	6.39%	6.34%	6.20%	6.46%	6.32%	6.48%	6.02%	4.73%	4.42%
Cost of Interest-Bearing Deposits	3.04%	3.44%	3.32%	3.36%	3.65%	3.29%	3.96%	3.53%	0.80%	0.35%
Average Loans/Average Earning Assets	79%	77%	76%	74%	75%	77%	77%	80%	75%	67%
Noninterest Income/Op. Revenue	10%	7%	6%	6%	7%	8%	7%	7%	8%	7%
Efficiency Ratio	29%	33%	31%	35%	36%	32%	38%	40%	31%	31%
Asset Quality (%)										
NPA/Loans + OREO	1.25%	1.26%	0.52%	0.55%	0.31%	1.25%	0.31%	0.19%	0.15%	0.14%
LLR/Loans (HFI)	1.25%	1.28%	1.28%	1.28%	1.30%	1.25%	1.30%	1.32%	1.25%	1.22%
LLR/NPL	102%	102%	250%	237%	446%	102%	446%	712%	828%	964%
NCO/Average Loans	0.20%	0.27%	0.20%	0.19%	0.09%	0.21%	0.09%	0.10%	0.08%	0.03%
Provision/NCO (x)	1.2x	1.0x	1.7x	1.1x	2.1x	1.3x	2.1x	1.6x	4.7x	11.3x
NPA Change Rate	2%	146%	(3%)	79%	9%	335%	0%	(43%)	(54%)	(66%)
Capital (%)										
TCE Ratio	10.4%	10.1%	9.8%	8.9%	9.2%	10.4%	9.2%	8.8%	8.8%	7.4%
Leverage Ratio	10.3%	10.0%	9.8%	9.5%	9.6%	10.3%	9.6%	9.1%	9.3%	7.4%
CET1 Ratio	11.7%	11.5%	11.4%	11.5%	11.4%	11.7%	11.4%	10.9%	9.5%	10.0%
Tier 1 Ratio	11.7%	11.5%	11.4%	11.5%	11.4%	11.7%	11.4%	10.9%	9.6%	10.0%
Total Capital Ratio	12.9%	12.9%	12.8%	12.9%	12.9%	12.9%	12.9%	12.4%	11.0%	11.6%
Leverage & Funding (%)										
Loans/Deposits	96%	94%	96%	89%	93%	96%	93%	88%	101%	77%
Loans/Core Deposits	104%	101%	103%	96%	100%	104%	100%	94%	107%	80%
Core Deposits/Total Funding	84%	84%	83%	80%	81%	84%	81%	86%	83%	84%
RWA/Total Assets	89%	88%	87%	79%	83%	89%	83%	84%	95%	73%
Double Leverage (Incl TruPs)	102%	103%	103%	104%	104%	102%	104%	104%	105%	105%

*Note: Beginning in 2020, NIM for banks with assets less than $5 billion is not TE due to reporting limitations

Sources: KBRA Financial Intelligence (KFI), Company Reports, KBRA

Loan Composition

($ Millions)	2025	2024	2023	2022	2021
Construction & Development	1,458	1,489	1,520	1,532	1,103
Owner-Occupied CRE	2,630	2,446	2,257	2,199	1,874
Non-Owner Occupied CRE	3,256	2,933	2,619	2,631	2,124
Residential Mortgage	1,659	1,436	1,216	1,120	797
Commercial & Industrial	2,976	2,786	2,732	3,062	2,878
Consumer	75	63	63	64	63
Multifamily Loans	1,347	1,249	1,038	869	459
Agriculture	180	177	170	172	191
Nondepository Financial Institutions	93	0	0	0	0
Other Loans (Including Foreign)	11	19	10	11	14
Total Loans and Leases	13,709	12,615	11,664	11,690	9,534
Loans Held for Sale (HFS)	12	9	5	2	1
Loans Held for Investment (HFI)	13,697	12,606	11,659	11,688	9,533
Annual Loan Growth	9%	8%	0%	23%	12%
Investor CRE/Total Loans	45%	45%	45%	43%	39%
C&D/Risk-Based Capital*	72%	80%	90%	100%	85%
Investor CRE/Risk-Based Capital*	299%	307%	309%	329%	287%



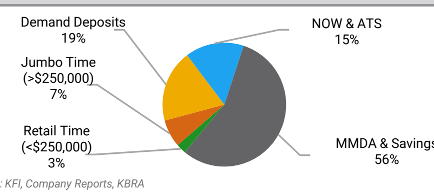
Sources: KFI, Company Reports, KBRA

*Loan concentration ratios reflect bank level

Sources: KBRA Financial Intelligence (KFI), Company Reports, KBRA

Deposit Composition

($ Millions)	2025	2024	2023	2022	2021
Domestic Deposits					
Demand Deposits	2,684	2,620	2,643	3,321	4,800
NOW & ATS	2,181	2,477	2,396	1,846	1,462
MMDA & Savings	7,964	7,137	7,079	5,517	5,378
Time Deposits					
Retail Time (<$250,000)	370	367	313	289	306
Jumbo Time (>$250,000)	1,020	943	842	574	507
Total Deposits	14,219	13,543	13,274	11,547	12,453
Total Core Deposits	13,199	12,600	12,431	10,923	11,896
Total Noninterest-Bearing Deposits	2,684	2,620	2,643	3,321	4,800
Annual Core Deposit Growth	5%	1%	14%	(8%)	26%



Sources: KFI, Company Reports, KBRA

Sources: KBRA Financial Intelligence (KFI), Company Reports, KBRA

Comparative Statistics

Peer Comparison Trends

ServisFirst Bancshares, Inc.
KBRA-Rated Peer Group: BBB+

Time Period	2025		2024		2023		2022		2021	
Balance Sheet ($ in Millions)	**BHC**	**Peer**	**BHC**	**Peer**	**BHC**	**Peer**	**BHC**	**Peer**	**BHC**	**Peer**
Total Assets	17,727	20,287	17,352	18,592	16,130	17,523	14,596	16,352	15,449	14,905
Total Risk-Weighted Assets	15,772	15,505	14,321	14,151	13,504	13,542	13,889	12,956	11,289	10,757
Loans (HFI)	13,697	14,554	12,606	13,304	11,659	12,603	11,688	11,666	9,533	9,698
Total Deposits	14,219	16,637	13,543	15,097	13,274	13,953	11,547	13,130	12,453	12,404
Average Loans/Average Earning Assets	77%	78%	77%	77%	80%	76%	75%	72%	67%	71%
Performance Measures (%)										
Return on Average Assets	1.56%	1.11%	1.39%	1.08%	1.37%	1.10%	1.71%	1.25%	1.54%	1.35%
Return on Average Equity	16.1%	9.7%	15.1%	9.7%	15.1%	10.4%	20.7%	11.9%	19.3%	12.1%
Return on Risk-Weighted Assets	1.84%	1.46%	1.63%	1.41%	1.52%	1.46%	1.99%	1.68%	2.09%	1.95%
Net Interest Margin (TE)*	3.13%	3.68%	2.83%	3.46%	2.82%	3.56%	3.32%	3.52%	2.95%	3.22%
Average Loan Yield	6.32%	6.24%	6.48%	6.29%	6.02%	5.96%	4.73%	4.66%	4.42%	4.32%
Cost of Total Deposits	2.66%	2.04%	3.19%	2.25%	2.68%	1.63%	0.50%	0.33%	0.24%	0.16%
Noninterest Income/Op. Revenue	8%	17%	7%	18%	7%	17%	8%	18%	7%	22%
Efficiency Ratio	32%	59%	38%	60%	40%	60%	31%	56%	31%	57%
Asset Quality (%)										
NPA/Loans + OREO	1.25%	0.77%	0.31%	0.64%	0.19%	0.49%	0.15%	0.41%	0.14%	0.55%
LLR/Loans (HFI)	1.25%	1.22%	1.30%	1.20%	1.32%	1.20%	1.25%	1.16%	1.22%	1.21%
LLR/NPL	102%	237%	446%	264%	712%	327%	828%	368%	964%	316%
NCO/Average Loans	0.21%	0.24%	0.09%	0.19%	0.10%	0.15%	0.08%	0.07%	0.03%	0.11%
Capital (%)										
TCE Ratio	10.4%	9.4%	9.2%	9.0%	8.9%	8.5%	8.8%	7.8%	7.4%	8.6%
Leverage Ratio	10.3%	10.4%	9.6%	10.3%	9.1%	10.0%	9.3%	9.7%	7.4%	9.3%
CET1 Ratio	11.7%	12.5%	11.4%	12.6%	10.9%	12.2%	9.5%	11.6%	10.0%	12.1%
Tier 1 Ratio	11.7%	13.0%	11.4%	13.2%	10.9%	12.8%	9.6%	12.2%	10.0%	12.8%
Total Capital Ratio	12.9%	15.1%	12.9%	15.4%	12.4%	14.9%	11.0%	14.4%	11.6%	15.0%
Leverage & Funding (%)										
Noninterest Bearing/Total Deposits	19%	27%	19%	27%	20%	28%	29%	34%	39%	35%
Loans/Deposits	96%	89%	93%	88%	88%	89%	101%	87%	77%	78%
Loans/Core Deposits	104%	99%	100%	100%	94%	101%	107%	95%	80%	82%
RWA/Total Assets	89%	78%	83%	77%	84%	78%	95%	79%	73%	71%
Double Leverage (Incl TruPS)	102%	100%	104%	100%	104%	101%	105%	102%	105%	102%
Loan Portfolio (%)										
C&I Loans/Total Loans	22%	17%	22%	17%	23%	17%	26%	18%	30%	18%
Investor CRE/Total Loans	45%	39%	45%	39%	45%	39%	43%	39%	39%	38%
Investor CRE/Risk-Based Capital	304%	243%	317%	240%	321%	247%	344%	249%	301%	236%
C&D Loans/Total Loans	11%	7%	12%	7%	13%	8%	13%	8%	12%	8%
C&D Loans/Risk-Based Capital	73%	40%	83%	41%	93%	48%	104%	51%	89%	46%

*Tax Equivalency (TE) calculation is applicable only to holding companies with total assets exceeding $5 billion.

Sources: Company Reports, KBRA Research

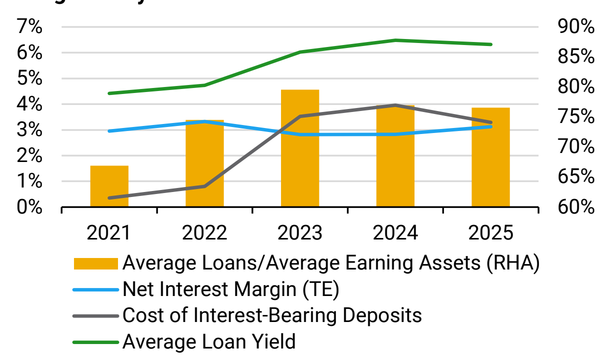
Key Quantitative Rating Determinants

The quantitative financial fundamentals of the bank are derived from the analysis of the bank's intrinsic financial strength and potential adjustments due to KBRA's stress testing as well as an analysis of current and historical financial metrics.

Performance

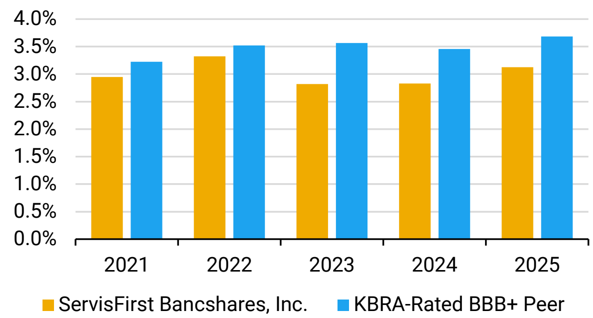
ServisFirst's earnings profile is highly impacted by its liability-sensitive balance sheet which can be magnified by rapid short-term rate increases which was the case in 2023 and 2024 following the accelerated interest rate increases by the Federal Reserve. As the Federal Reserve cut interest rates by 150 bps combined in 2024 and 2025, SFBS' earnings have shown improvement, supported by spread income growth and continued discipline across operating and credit costs. Furthermore, the company relies more heavily than most peers on funding indexed to market rates – including fed funds purchased - which function as a core component of its funding model. Importantly, these balances derive largely from SFBS' correspondent banking network, creating a relationship-based recurring source of liquidity. While this structure offers more stability than typical "hot money" channels, the market-rate nature of the funding introduces NIM headwinds, requiring SFBS to maintain a meaningful proportion of floating-rate earning assets to manage interest rate risk and preserve spread. Given that earnings are spread reliant, ROA fell as a result and eventually troughed in 4Q23 at 1.04% while the margin declined to 2.58% (-95 bps from 4Q22). However, since that time, a reversion in interest rates has led to NIM improvement (+31 bps) since 2023, supported by a balance sheet levered toward loans (loans to earning assets ratio of 77% for 2025) along with upward repricing of fixed rate assets (30-bp increase in loan yields) and an easing of funding costs (-16 bps since 2023). Furthermore, the company's strong returns are driven by a low expense base (SFBS reflects one of the lowest efficiency ratios in KBRA's rated universe), bolstered by a commercially focused, branch-lite business model and strong back-office operations. As such, operating expenses remain below similarly rated peers at ~1% of average assets and while earnings are largely spread reliant, we view this as somewhat of a trade-off that aligns with the bank's margin-driven strategy and contributes to its structurally strong efficiency ratio. Somewhat constraining our view of SFBS' earnings profile, albeit preventing volatility in performance, is the company's lack of fee income – though we note this is by management's purposeful design. Noninterest income has historically averaged 7% of operating revenue, significantly below that of peers, largely derived of fee income. That said, we recognize that fee income business lines at banks, while providing earnings diversity, can at times be less profitable from a margin perspective. Overtime, we see upside from ancillary services provided to the correspondent network, which may augment fee generating, without altering the bank's disciplined operating model, though will most likely be incremental, in our view. Looking ahead, ServisFirst appears well positioned with the anticipation of rates continuing to decline. Given its sizable correspondent-related deposits indexed to short-term rates, combined with a portion of legacy fixed-rate assets that continue to reprice upward, we expect funding costs to decline more rapidly than those of most peers. We believe the magnitude of liability repricing should more than offset any pressure on asset yields, positioning the bank for incremental NIM expansion through 2026.

Margin Analysis - SFBS



Sources: KFI, Company Reports, KBRA

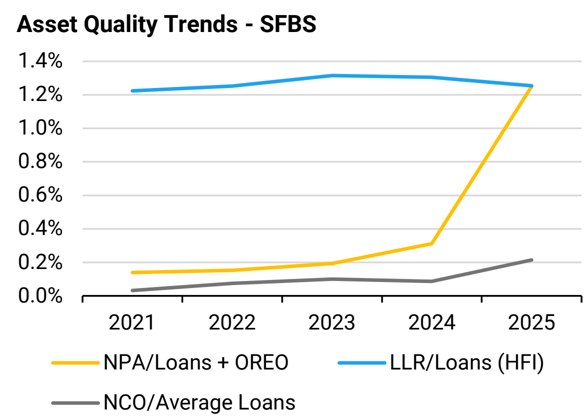
Net Interest Margin



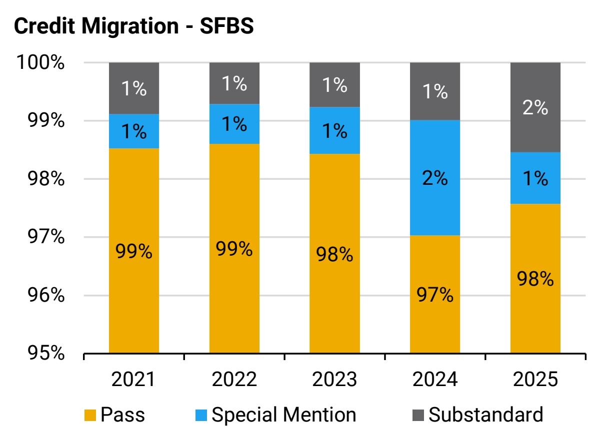
Sources: Company Reports, KBRA

Asset Quality

While SFBS has displayed trends of credit deterioration, though not uncommon among the banking industry, we believe it is temporary in nature and should trend more in line with historic norms in the near-term. As such, net charge-offs were 0.21% for 2025, largely from commercial, financial, and agricultural loans, reflecting an increase from prior-year levels but remaining within a range that we view as digestible. In 4Q25 specifically, charge-offs were ~$6.7 million, with the majority related to a single healthcare-related credit that has previously been reserved for, reflecting a modest uptick from historically low levels. Management indicated that most charge-offs during the year were tied to credits previously categorized as impaired, suggesting limited incremental deterioration. Nonperforming assets increased meaningfully over the year (+94 bps) to 1.25%, stemming from a relationship with a large merchant developer rehabilitator of multi-family properties. The relationship consists of eight loans throughout Alabama, Louisiana, and Texas. While on non-accrual, the bank has obtained additional collateral support, and the borrower is actively marketing assets for sale, which management expects will generate liquidity over the coming quarter. As such, pass loans have migrated to special mention and substandard from 2022 through 2025, as criticized and classified loans were 2.4% and 1.5%, respectively, as of YE25. Despite migration within certain credits, management characterizes recent credit deterioration as idiosyncratic events, and we believe the team has a solid grasp on its "problem" loans and are actively working through resolutions that will be digestible.



Sources: KFI, Company Reports, KBRA



Source: Company Reports

Importantly, reserve levels remain strong, with the allowance for credit losses at 1.25% (fully covering NPAs), providing solid coverage relative to current loss experience. Coupled with strong earning generation and capital levels, we believe SFBS maintains sufficient capacity to absorb expected credit losses as "problem" assets as resolved and metrics trend closer to historical norms.

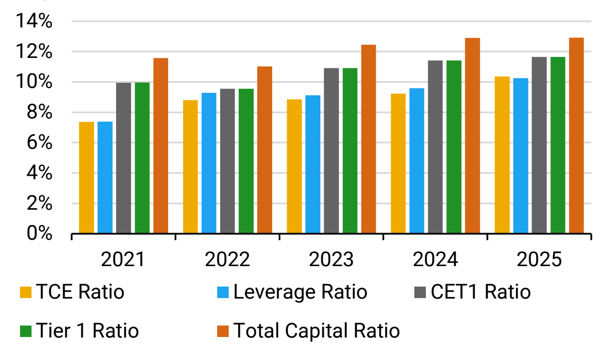
Regarding SFBS' historical asset quality performance, though the company was a considerably smaller institution entering the global financial crisis (~$800 million in assets as of 4Q07), ServisFirst was a comparably strong performer during an otherwise challenging period, with net credit losses from 2008 through 2010 averaging 0.52%. The company also performed relatively well during the brief period of economic disruption caused by COVID-19 (though KBRA recognizes that extraordinary fiscal and monetary support during this time likely supported credit quality industry wide). While we view SFBS' credit track record favorably in its totality, we also acknowledge that the company has, at times, reported NCO and NPA ratios that exceed peers'. However, we attribute this, at least in part, to the company's commercially focused business model that naturally leads to a degree of "chunkiness" in its loan portfolio, meaning that an isolated large dollar loan relationship can contribute to noise in reported metrics.

The $13.7 billion loan portfolio is primarily commercially focused, with residential mortgage loans comprising just 12% of total loans. The $11.9 billion commercial book is largely centered in investor CRE (including multi-family and C&D lending), which accounts for 45% of loans. Underwriting within the $1.3 billion Sunbelt-focused multifamily portfolio appears solid, as the bank typically requires 30% - 35% borrower equity at origination. Office exposure is modest at 5% of total loans and is concentrated in suburban properties, with no material exposure to downtown urban properties. The largest office credit is a suburban medical building, which we believe is more insulated from secular shifts and work-from-home trends impacting traditional urban office properties. KBRA also views favorably the company's comparatively limited exposure to the nursing/assisted living sector (2.8% of loans). Despite investor CRE concentration remaining above regulatory guidance, KBRA is comfortable with the elevated level given the downward trend in exposure – declining from 317% of RBC in 2024 to 304% in 2025 – reflecting management's continued efforts to de-risk the portfolio. This, combined with the seasoned and relationship-driven nature of the book and the company's strong earnings generation and capital base, supports our view that SFBS maintains sufficient capacity to withstand potential stress within the portfolio. While we believe SFBS maintains appropriate underwriting standards within its C&D portfolio, we note that the segment, at 11% of total loans ($1.5 billion), is somewhat larger than that of select peers and is primarily commercially oriented rather than residential. Commercial-focused C&D lending can exhibit greater sensitivity to economic cycles; however, we take comfort in management's disciplined underwriting approach and relationship-driven model. The C&I portfolio, representing 43% of loans, appears adequately diversified by industry. The largest concentrations include retail (21%), healthcare (5%), and manufacturing (3%) with remaining exposures spread across a broad range of smaller industry segments. Management targets businesses with $2 million to $250 million in annual revenue, as well as professional clients, and affluent individuals, consistent with its community banking strategy. We acknowledge that certain C&I relationships are relatively sizable, which could introduce episodic volatility to asset quality metrics in the event of borrower deterioration. Nevertheless, SFBS' long-standing customer relationships and community banking focus mitigate this risk, in our view. The overall portfolio remains granular, with the top 25 loans representing 7% of total loans and carrying an average risk rating of 5.

Capital

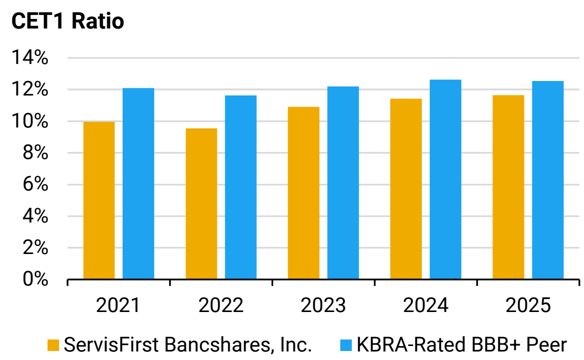
The capital profile improved throughout 2025 following a period of notable pressure during the pandemic period (2020-2022), when annualized loan growth averaged 17%. The CET1 ratio reached a trough of 9.4% in 3Q22 – a level well below peer averages and viewed by KBRA as a relative "floor" necessary to maintain the current ratings. Since then, SFBS has undertaken a multi-year effort to rebuild its core capital base, with the CET1 ratio materially improving ~230 bps to 11.7% as of 4Q25. While this represents meaningful progress, risk-weighted capital ratios remain modestly below peer averages (12.5%). On a non-risk-weighted basis, however, the TCE ratio of 10.4% compares more favorably to peers, as it is not impacted by the elevated RWA density (89%), stemming from the commercially concentrated loan portfolio.

Capital Profile - SFBS



Sources: KFI, Company Reports, KBRA

A key strength of SFBS' capital profile is its ability to generate organic core capital, supported by consistent profitability and a moderate level of share repurchases - aided by the company's premium valuation relative to tangible book value. Core capital generation has been particularly strong during periods of more tempered loan growth from 2023 through 2025, though somewhat a byproduct of payoffs and paydown. While SFBS has historically increased its dividend annually, the conservative payout ratio (near 25% in recent years) suggests that any incremental adjustments would not materially alter KBRA's view of its capital management.



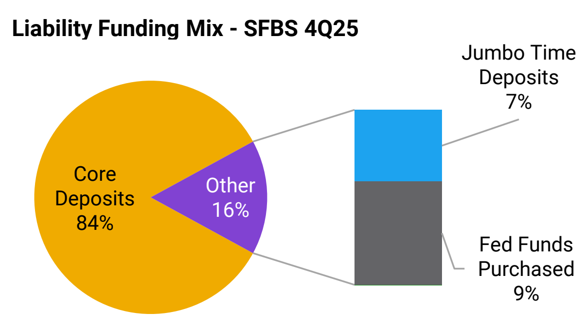
Sources: Company Reports, KBRA

Overall, we view SFBS' capital position as adequate for the current rating category. However, given the company's concentrated business mix, elevated risk-weighted density, and exposure to large-dollar CRE and C&D lending, maintaining capital levels near current metrics remains important. Following the recent multi-year rebuild in capital, KBRA does not anticipate further material increases from current levels.

Supplementing the core capital base is ~$35 million of 4.0% subordinated debt issued in October 2020 due October 2030. In 4Q25, the company redeemed its $30 million 4.5% subordinated notes due November 2027. Double leverage of 102% at 4Q25 is viewed as manageable and does not pose a concern.

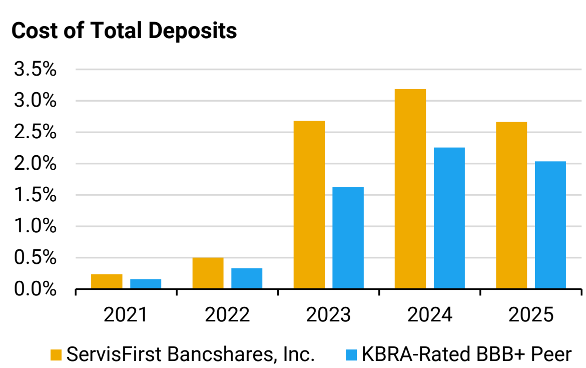
Funding & Liquidity

The company's funding profile is consistent with its traditional commercial banking focus and is characterized by a deposit base heavily concentrated in commercial relationships. Historically, commercial deposits have represented more than 80% of total deposits, primarily sourced from long-standing relationships with local businesses, professional firms, and municipal or institutional clients. These include sizable accounts in the commercial banking, legal, and commercial/institutional construction sectors.



Sources: KFI, Company Reports, KBRA

A distinctive feature of the funding base is SFBS' correspondent banking division, which provides clearing, liquidity, credit, settlement, and international services to more than 380 community banks. Deposits from these relationships have historically comprised between 10%-30% of total deposits. Correspondent balances peaked near $4 billion (31% of deposits), in late 2021 amid elevated liquidity during the pandemic stimulus period but have since normalized to $2.5 billion as of 4Q25. It is noteworthy that a significant portion of these correspondent balances are indexed to short-term market rates, with participating banks typically earning yields at or slightly above the federal funds rate. SFBS invests most of these deposits into the federal funds market, creating a highly liquid – though rate-sensitive - funding source that enhances balance sheet flexibility. While this structure results in above-peer funding costs (2.99% for YE25),



Sources: Company Reports, KBRA

correspondent deposits are operationally efficient, requiring minimal infrastructure and staffing, resulting in competitive "all-in" funding costs relative to peers. Additionally, given their linkage to short-term rates, the liability-sensitive balance sheet is positioned to benefit in a declining rate environment. Although these balances do not meet the FDIC definition of core deposits, the relationship-driven nature of the correspondent banking segment suggest greater stability than traditional rate-sensitive "hot money" funding, in our view.

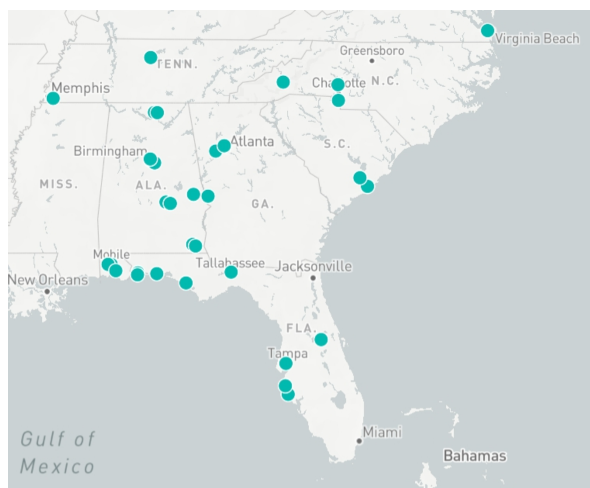
Given the company's focus on large-dollar commercial clients, the deposit base exhibits some concentration, with the largest five, ten, and twenty depositors accounting for 7%, 11%, and 16% of total deposits, respectively. While depositor concentration can elevate funding risk, KBRA notes that a meaningful portion of the largest balances are municipal or public fund deposits, which are generally viewed as stable due to collateralization by high-quality securities and the payment of near-market interest rates. Reflecting its commercial orientation and rate-sensitive correspondent balances, deposit costs remain elevated relative to peers at 2.44% as of 4Q25 – among the highest in KBRA's rated universe.

The company maintains a solid liquidity position with on-balance sheet liquidity totaling $2.1 billion at 4Q25 (12% of assets), consisting of cash, federal funds sold, and unpledged AFS securities. Secondary liquidity, including available capacity at the FHLB, Federal Reserve Bank of Atlanta and unused lines of credit, totaled $6 billion. Moreover, the bank also maintains a policy capacity for up to $4.4 billion in brokered deposits. Excluding brokered deposits, total available liquidity amounted to ~$8 billion, providing substantial contingent funding flexibility.

Key Qualitative Rating Determinants

The qualitative aspects of ServisFirst Bancshares, Inc. were assessed using a scorecard that focuses on four key factors: market strategy, risk management, liquidity management, and the operating environment. For the most part, the bank scored average to above average for qualitative factors. For qualitative aspects, KBRA relies principally on discussions with management supplemented by publicly available data, regulatory filings and KBRA's view of the economic and regulatory environment. The following describes KBRA's qualitative assessment for ServisFirst Bancshares, Inc.:

Branch Map



Source: KFI

Market Strategy

Since its formation in 2005, ServisFirst Bancshares, Inc. has focused on traditional commercial banking, cash management, private banking, and correspondent banking services. The company target businesses and their owners, professionals, and affluent consumers, primarily operating in urban markets including Alabama (12 branches), Florida (8 branches), Georgia (3 branches), North Carolina (3 branches), South Carolina (2 branch), Tennessee (1 branch), and Virginia (1 branch). In addition to its physical footprint, SFBS maintains a sizeable correspondent banking network of more than 380 community banks spanning across the Mid-Atlantic and Southeastern regions. The company's business model emphasizes core relationship banking, avoiding non-core business activities, resulting in limited revenue diversification but a lean cost structure that contributes to one of the strongest efficiency ratios in KBRA's rated universe. Deposits per banking center are notably high at $431 million as of 4Q25, reflecting optimized branch performance and efficient market penetration. As part of its broader growth strategy, management has indicated an expansion plan to enter attractive metropolitan markets where new banking centers can scale to roughly $300 million in deposits per branch.

ServisFirst operates a scalable, decentralized structure in which regional CEOs drive local growth and manage customer relationships. This model – combined with an emphasis on organic expansion and the selective recruitment of top producers rather than whole-bank acquisitions – has supported the company's successful entry into several high-growth southern markets. Management believes this approach enhances customer service and promotes long-term, relationship-based banking through multiple channels.

The management team is viewed as experienced and conservative, with deep industry backgrounds and long tenures. President and CEO Thomas A. Broughton III founded the company in 2005 following an initial capital raise of $35 million. Prior to SFBS, Mr. Broughton served as President and CEO of First Commercial Bank (acquired by Synovus Financial in 1992) and later as a regional CEO at Synovus. Rodney R. Rushing, appointed Chief Operating Officer in 2021, joined SFBS in 2010 and played a key role in developing the correspondent banking division. His 39-year career includes prior experience as Executive Vice President at Compass Bank (now BBVA) with a focus on correspondent banking and audit oversight. The company has seen several transitions in its Chief Financial Officer role in recent years. Bud Foshee retired in February 2024, whereas David Sparacio was hired as CFO in February of 2025 following a short tenured CFO. Mr. Sparacio brings over 30 years of banking and financial management experience and he was previously the Corporate Controller for Ameris Bank.

Risk Management

SFBS' risk management framework appears comprehensively anchored by a defined risk appetite aligned with its traditional lending business lines. While the company operates under a decentralized structure that emphasizes regional accountability and relationship-driven banking, risk oversight and credit administration are centralized to promote consistency across business lines. Corporate policies and underwriting standards are established centrally, with regional CEOs responsible for local execution in accordance with established enterprise-wide standards. Lending primarily targets middle market clients, with delegated approval authority aligned to experience and risk tolerance. Regional CEOs and credit officers may approve secured loan relationships up to $5 million, while larger or more complex exposures require review and approval from the CCO and/or executive management. In addition, certain higher-risk lending categories are subject to centralized monitoring, including asset-based lending relationships exceeding $2 million and commercial construction projects greater than $3 million. Independent loan reviews are conducted annually, covering between 35%–40% of committed balances to assess risk rating accuracy and documentation quality, reinforcing an additional layer of oversight.

The company's strong credit administration is reflected in its historically sound asset quality metrics, although the company's size and operational complexity have increased meaningfully since the Global Financial Crisis. Lending authority is tiered by seniority and experience, with exposures exceeding an individual officer's limit requiring approval from regional leadership and senior credit officers. Loan officers utilize a nine-point internal risk grading scale and revise risk ratings when changes in borrower performance or other relevant credit factors warrant a reclassification. The governance framework continues to evolve alongside the company's growth. Notably, the Information Security Officer now reports directly to the Chief Risk Officer, reinforcing independent oversight of cybersecurity risk, while internal audit responsibilities have transitioned from a fully outsourced model to a co-sourced structure, enhancing internal accountability while retaining external expertise.

General risks associated with CRE lending are mitigated through relatively shorter loan maturities, active borrower and concentration monitoring, and conservative underwriting standards. Construction lending is subject to additional controls, including centralized oversight of larger exposures, frequent performance monitoring, and proactive management of watch list credits. The company performs annual stress testing on a substantial portion of the loan portfolio, with results reviewed by the CCO and the Board. In addition, quarterly balance sheet stress testing evaluates interest rate and liquidity risks, while capital stress testing is conducted annually to assess the sufficiency of capital under adverse scenarios. The CRO oversees tracking and remediation of audit and regulatory recommendations, with updates provided to and reviewed by the Board Audit Committee.

Liquidity Management

The company's liquidity risk oversight framework appears well developed, incorporating a systematic weekly assessment of liquidity positions. Interest rate risk and liquidity stress testing are performed quarterly by an independent third-party provider with results reviewed by the internal ALCO committee. The bank maintains liquid assets equivalent to 12% of total assets, which KBRA views as appropriate given the balance sheet structure. SFBS also maintains a detailed contingency funding plan, sufficient wholesale funding capacity, and comprehensive cash flow forecasting and liquidity monitoring processes. In addition, the bank's extensive correspondent banking network provides an incremental source of contingent liquidity. As of 4Q25, the balance sheet exhibited a slightly liability-sensitive position, however, all modeled scenarios remained within established policy limits.

As notes, SFBS' commercial deposit base includes several large-dollar relationships that warrant ongoing monitoring. Nonetheless, KBRA recognizes the relative stability of the company's deposits during the March 2023 industry volatility, particularly given that ~69% of deposits are uninsured. In the six business days following March 10, 2023 (SVB's failure), total deposits declined by a modest $245 million, or roughly 2% from year-end 2022 balances. As of 4Q25, the company maintained total on-and off-balance sheet liquidity of approximately $8 billion, equivalent to 83% coverage of its $9.7 billion in unsured deposits. While the level of uninsured deposits is elevated, a significant portion is derived from the correspondent banking segment, where participating community banks utilize SFBS as a direct conduit to the Federal Reserve. These operation accounts are generally long-tenured in nature and are characterized by management as comparatively stable.

ESG Management

KBRA typically analyzes environmental, social, and governance (ESG) factors through the lens of how management teams plan for and manage relevant ESG risks and opportunities. More information on KBRA's approach to ESG risk management in financial institution ratings can be found here. Over the medium term, banks and other financial institutions will need to prioritize ESG risk management and disclosure with the likelihood of expansions in ESG-related regulation and rising investor focus on ESG issues.

KBRA analyzes many sector- and issuer-specific ESG issues, but our analysis is often anchored around three core topics: climate change, with particular focus on greenhouse gas emissions; stakeholder preferences; and cybersecurity. Under environmental, as the effects of climate change evolve and become more severe, issuers are increasingly facing an emerging array of challenges and potential opportunities that can influence financial assets, operations, and capital planning. Under social, the effects of stakeholder preferences on ESG issues can impact the demand for an issuer's product and services, the strength of its global reputation and branding, its relationship with employees, consumers, regulators, and lawmakers, and, importantly, its cost of and access to capital. Under governance, as issuers continue to become more reliant on technology, cybersecurity planning and information management are necessary for most issuers, regardless of size and industry.

Environmental Factors

Although near term climate-related risks are believed by KBRA to be well contained, we note the bank is currently in the process of introducing practices that are more sustainable and are geared toward decreasing its overall carbon footprint, among other initiatives. The bank and most of its peers do not yet estimate carbon emissions, but Scope 1 emissions are believed to be modest compared with many other types of industries. Calculating Scope 3, which primarily refers to the emissions banks finance across their portfolios, is a challenge across the sector, not only for smaller regional banks but for large multinational banks as well. Banks and other financial institutions will need to address increasing stakeholder pressure to improve disclosure of carbon and other greenhouse gas emissions, as well as prepare for the possibility of increased carbon regulation and/or carbon taxes. In common with most peers, the company's direct loan exposure to carbon-intensive industries is considered minimal relative to the total loan portfolio. SFBS endeavors to protect the environment and safeguard future sustainability for the communities in which it operates and for society at large. Towards this end, the company encourages secure electronic communication and online banking to reduce overall paper use in our customer communications. In addition, SFBS encourages energy efficiency in its offices and branch locations. They engage in a comprehensive recycling program to limit waste of paper and to ensure proper disposal of electronic waste and other office products.

Social Factors

The bank has a strong social mission and is active in fostering economic development in its communities of operation, including small business lending and other lending, as well as other community banking services and Community Reinvestment Act (CRA) activities. SFBS received a Satisfactory" score for its latest CRA exam dated March 2023.

Governance Factors

An effective risk management framework includes the bank's process for identifying, assessing and responding to ESG-related risks and opportunities, such as ESG focused staff and resources, board oversight, ESG issues incorporated into capital allocation, cyber risk and fraud management. For supplemental information on risk management and other governance considerations, please reference the qualitative rating determinants section, notably the Risk Management section. The company maintains strict adherence to all regulations and laws regarding data security and cybersecurity. Further, SFBS provides customer education on securing confidential information, monitoring account access, and preventing fraud and other breaches of security via its Fraud Prevention Education Center. In addition, SFBS ensures employees are monitoring for identity theft and other forms of cybersecurity threats. The company maintains comprehensive information security policies to protect and secure customer information and ensure the monitoring of all transactions to protect customer ac- counts via state-of-the-art intelligence technology and skilled fraud experts.

Operating Environment

Overall, the U.S. banking system has a strong regulatory framework. Since the 2008 financial crisis, banking institutions have adjusted to additional rules and regulations resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act and Basel III standards. Despite some easing of regulatory burden, particularly for small to mid-sized banks in recent years, regulatory standards and oversight remain strong for the U.S. banking system. The latest research on this and other topics can be found here.

External Support

Pursuant to the 2010 Dodd-Frank Act, U.S. regulators created a resolution regime with the goal of preventing a systemic crisis if a systemically important bank fails. For non-systemically important depositories such as the bank, KBRA believes that uninsured depositors could benefit from some degree of extraordinary systemic support. However, KBRA does not foresee any regulatory support being extended to creditors or investors at the bank or its BHC. As the bank operates in the U.S. market, a well-developed economy with a AAA sovereign rating, there were no adjustments for country risk. In addition, the company is publicly traded, and the rating does not incorporate external support related to its ownership structure.

Ratings Approach

KBRA's ratings are supported by the following factors: i) a quantitative view of the bank's financial fundamentals, including stress testing, ii) a qualitative assessment of the bank's management and market strategy, and iii) the incorporation of potential external systemic support. KBRA's ratings for the bank holding company reflect the overall credit profile of the organization and the potential structural subordination of its liabilities to the liabilities of its subsidiary in an event of default or regulatory intervention. KBRA's short-term ratings are derived from senior long-term bank ratings. Consistent with KBRA's typical notching practices, subordinated debt is rated one notch below senior unsecured debt.

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