



## ServisFirst Bancshares, Inc. Reports Record Third Quarter 2010

BIRMINGHAM, Ala., Oct. 18 /PRNewswire-FirstCall/ -- ServisFirst Bancshares, Inc. today reported record earnings for the quarter and nine months ended September 30, 2010.

### Third Quarter 2010 Highlights:

- # Third quarter record net income of \$4,799,000, a 198% increase year/year
- # 20 consecutive quarters of profitability
- # New Private Client Group from a regional bank joined Birmingham office
- # Earnings per share of \$.87 for the quarter and \$2.33 for nine months

"We are pleased to report record third quarter and nine months earnings. We continue to grow our profitability by following solid banking fundamentals, and we are adding customers due to turmoil and credit issues at some of our major competitors," said Tom Broughton, President and CEO. Bud Foshee, CFO, stated, "Our improved margins and continued improvement in our efficiency ratio, combined with steady growth in deposits and loans, have contributed to our record earnings." ServisFirst Bancshares, Inc., was recently ranked 18th in the United States for efficiency by *American Banker*, the respected daily newspaper for the banking industry.

### ABOUT SERVISFIRST:

ServisFirst Bancshares, Inc. is a bank holding company based in Birmingham, Alabama. Through its subsidiary ServisFirst Bank, ServisFirst provides business and personal financial services through locations in Birmingham, Huntsville, Montgomery and Dothan, Alabama.

ServisFirst files periodic reports with the U.S. Securities and Exchange Commission (SEC). Copies of its filings may be obtained through the SEC's website at [www.sec.gov](http://www.sec.gov) or at [www.servisfirstbancshares.com](http://www.servisfirstbancshares.com).

*Statements in this press release that are not historical facts, including, but not limited to, statements concerning future operations, results or performance, are hereby identified as "forward-looking statements" for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. The words "believe," "expect," "anticipate," "project," "plan," "intend," "will," "would," "might" and similar expressions often signify forward-looking statements. Such statements involve inherent risks and uncertainties. ServisFirst Bancshares, Inc. cautions that such forward-looking statements, wherever they occur in this press release or in other statements attributable to ServisFirst Bancshares, Inc., are necessarily estimates reflecting the judgment of ServisFirst Bancshares, Inc.'s senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Such forward-looking statements should, therefore, be considered in light of various factors that could affect the accuracy of such forward-looking statements, including: general economic conditions, especially in the credit markets and in the Southeast; the performance of the capital markets; changes in interest rates, yield curves and interest rate spread relationships; changes in accounting and tax principles, policies or guidelines; changes in legislation or regulatory requirements; changes in our loan portfolio and the deposit base, possible changes in laws and regulations and governmental monetary and fiscal policies, including, but not limited to, economic stimulus initiatives and so-called "bailout" initiatives; the cost and other effects of legal and administrative cases and similar contingencies; possible changes in the creditworthiness of customers and the possible impairment of the collectibility of loans and the value of collateral; the effect of natural disasters, such as hurricanes, in our geographic markets; and increased competition from both banks and non-bank financial institutions. The foregoing list of factors is not exhaustive. For discussion of these and other risks that may cause actual results to differ from expectations, please refer to "Risk Factors" in our most recent Annual Report on Form 10-K and our other SEC filings. If one or more of the factors affecting our forward-looking information and statements proves incorrect, then our actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking information and statements contained herein. Accordingly, you should not place undue reliance on any forward-looking statements, which speak only as of the date made. ServisFirst Bancshares, Inc. assumes no obligation to update or revise any forward-looking statements that are made from time to time.*

More information about ServisFirst Bancshares may be obtained over the Internet at [www.servisfirstbancshares.com](http://www.servisfirstbancshares.com) or by calling (205) 949-0302.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except shares and per share data)

|   | Three Months Ended |               |             |
|---|--------------------|---------------|-------------|
|   | September 30,      | September 30, | June 30,    |
|   | 2010               | 2009          | 2010        |
|   | (Unaudited)        | (Unaudited)   | (Unaudited) |
| Total interest income                               | \$ 19,959          | \$ 16,092     | \$ 18,996   |
| Total interest expense                              | 3,972              | 4,648         | 3,688       |
| Net interest income before provision                | 15,987             | 11,444        | 15,308      |
| Provision for loan losses                           | 2,537              | 3,209         | 2,537       |
| Net interest income after provision for loan losses | 13,450             | 8,235         | 12,771      |
| Total noninterest income                            | 1,348              | 967           | 1,004       |
| Salaries and employee benefits                      | 3,547              | 3,398         | 3,147       |
| Other noninterest expense                           | 3,920              | 3,574         | 4,414       |
| Total noninterest expense                           | 7,467              | 6,972         | 7,561       |
| Income before taxes                                 | 7,331              | 2,230         | 6,214       |
| Income taxes  | 2,532              | 622           | 2,193       |
| Net income  | \$ 4,799           | \$ 1,608      | \$ 4,021    |
| Basic earnings per share                            | \$ 0.87            | \$ 0.29       | \$ 0.73     |
| Diluted earnings per share                          | \$ 0.77            | \$ 0.28       | \$ 0.65     |
| Average basic shares                                | 5,515,384          | 5,513,482     | 5,513,482   |
| Average fully diluted shares                        | 6,417,947          | 5,821,331     | 6,399,929   |

Nine Months Ended September 30,

2010 2009

(Unaudited) (Unaudited)

|   |           |           |
|---|-----------|-----------|
| Total interest income                               | \$ 57,457 | \$ 45,007 |
| Total interest expense                              | 11,256    | 14,017    |
| Net interest income before provision                | 46,201    | 30,990    |
| Provision for loan losses                           | 7,612     | 8,277     |
| Net interest income after provision for loan losses | 38,589    | 22,713    |
| Total noninterest income                            | 3,484     | 3,169     |
| Salaries and employee benefits                      | 10,176    | 10,354    |
| Other noninterest expense                           | 12,284    | 9,933     |
| Total noninterest expense                           | 22,460    | 20,287    |
| Income before taxes                                 | 19,613    | 5,595     |
| Income taxes  | 6,780     | 1,708     |
| Net income  | \$ 12,833 | \$ 3,887  |
| Basic earnings per share                            | \$ 2.33   | \$ 0.71   |
| Diluted earnings per share                          | \$ 2.11   | \$ 0.67   |
| Average basic shares                                | 5,514,123 | 5,476,701 |
| Average fully diluted shares                        | 6,249,500 | 5,774,441 |

SERVISFIRST BANCSHARES, INC.

# CONSOLIDATED BALANCE SHEETS

(In thousands)

|                              | September 30,<br>2010<br>(Unaudited) | December 31,<br>2009<br>(Audited) | September 30,<br>2009<br>(Unaudited) |
|------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|
| ASSETS                       |                                      |                                   |                                      |
| Cash and due from banks      | \$ 149,841                           | \$ 75,526                         | \$ 186,842                           |
| Investment securities        | 251,838                              | 256,098                           | 137,624                              |
| Restricted equity securities | 3,510                                | 3,241                             | 3,241                                |

|  |              |              |              |
|--|--------------|--------------|--------------|
| Federal funds sold and other investments | 2,213        | 680          | 384          |
| Mortgage loans held for sale             | 8,708        | 6,202        | 5,087        |
| Loans                                    | 1,345,502    | 1,207,084    | 1,154,090    |
| Reserve for loan losses                  | (16,903)     | (14,911)     | (14,596)     |
| Net loans                                | 1,328,599    | 1,192,173    | 1,139,494    |
| Foreclosed real estate                   | 8,170        | 12,525       | 13,453       |
| Other assets                             | 23,645       | 27,052       | 16,080       |
| Total assets                             | \$ 1,776,524 | \$ 1,573,497 | \$ 1,502,205 |

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:

|  |              |              |              |
|--|--------------|--------------|--------------|
| Noninterest-bearing                        | \$ 224,537   | \$ 211,307   | \$ 175,089   |
| Interest-bearing                           | 1,377,020    | 1,221,048    | 1,186,394    |
| Total deposits                             | 1,601,557    | 1,432,355    | 1,361,483    |
| Borrowings                                 | 55,317       | 40,150       | 40,112       |
| Interest payable                           | 914          | 1,026        | 1,103        |
| Other liabilities                          | 2,559        | 2,344        | 2,286        |
| Total liabilities                          | 1,660,347    | 1,475,875    | 1,404,984    |
| Stockholders' equity                       | 116,177      | 97,622       | 97,221       |
| Total liabilities and stockholders' equity | \$ 1,776,524 | \$ 1,573,497 | \$ 1,502,205 |

SERVISFIRST BANCSHARES, INC.

Key Ratios

Three Months Ended

|               |               |             |
|---------------|---------------|-------------|
| September 30, | September 30, | June 30,    |
| 2010          | 2009          | 2010        |
| (Unaudited)   | (Unaudited)   | (Unaudited) |

|  |        |        |        |
|--|--------|--------|--------|
| Return on average assets                   | 1.10%  | 0.45%  | 1.02%  |
| Return on average equity                   | 16.86% | 6.75%  | 15.34% |
| Net interest margin (fully tax equivalent) | 3.83%  | 3.36%  | 4.07%  |
| Efficiency ratio                           | 43.07% | 56.18% | 46.35% |

Nine Months Ended September 30,

|  | 2010        | 2009        |
|--|-------------|-------------|
|  | (Unaudited) | (Unaudited) |
| Return on average assets                   | 1.06%       | 0.60%       |
| Return on average equity                   | 16.12%      | 8.60%       |
| Net interest margin (fully tax equivalent) | 4.01%       | 3.31%       |
| Efficiency ratio                           | 45.20%      | 59.39%      |

|   | 9/30/2010   | 9/30/2009   | 6/30/2010   |
|---|-------------|-------------|-------------|
|   | (Unaudited) | (Unaudited) | (Unaudited) |
| Book value per share                        | \$ 21.05    | \$ 17.63    | \$ 19.78    |
| Tangible book value per share               | \$ 21.05    | \$ 17.63    | \$ 19.78    |
| % of reserve for loan losses to total loans | 1.26%       | 1.26%       | 1.22%       |
| Nonperforming assets to total loans         |             |             |             |
| plus foreclosed real estate                 | 1.67%       | 2.51%       | 1.45%       |

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SOURCE ServisFirst Bancshares, Inc.