



Our Name is Our Mission

2008 ANNUAL REPORT



Dear Shareholders,

I am pleased, but never satisfied, with our financial performance in 2008. ServisFirst Bancshares, Inc. had net income of \$7.0 million in 2008, an increase of 27% over 2007. We achieved these results while continuing to focus on the improvement in profitability of our three newest markets; Huntsville, Montgomery and Dothan.

We are pleased to welcome our new Dothan shareholders, and we are encouraged by the reception in the Houston County market. Ronald DeVane, our Dothan Regional CEO, has done a remarkable job in assembling our Dothan directors, officers and shareholders.

Our deposits grew by 36% in 2008, and we are particularly proud of the fact that we have no brokered deposits. Regulators have recently concluded that banks with a heavy reliance on brokered deposits are more likely to have financial problems than banks that do not, which is not surprising to me.

We all read daily about the banking industry problems, which are real problems for our economy and the American taxpayer. Most of the problems are centered in our largest banks and the thrift industry. The thrift industry focused almost completely on residential construction and development, which has faced enormous problems. There is not an easy solution to the housing problem and the taxpayers will pay for it. We are fortunate to be in markets where housing is not as bad as the high growth areas of the United States.

The key to long-term success in this industry is to have a diversified loan portfolio coupled with a focus on building core deposits. We will always keep a simple strategy, which is to build strong relationships with our customers.

Our best relationships come from referrals from our shareholders and customers. We appreciate all your help and support. We are well positioned to profit from the turbulence in our industry and can achieve much success with hard work and dedication.

Sincerely,

A handwritten signature in black ink, appearing to read "T. A. Broughton III".

Thomas A. Broughton III
President and Chief Executive Officer

CONSOLIDATED FINANCIAL HIGHLIGHTS
As of and for the years ended December 31,
(Dollars in thousands except for share data)

	<u>2008</u>	<u>2007</u>
SELECTED ASSET DATA		
Cash and cash equivalents	\$ 72,918	\$ 66,422
Securities available for sale	102,339	87,233
Loans, net	957,631	667,549
Other real estate owned	10,473	1,623
Total assets	1,162,272	838,250
Noninterest-bearing liabilities	121,459	85,018
Interest bearing liabilities	915,860	677,665
Total liabilities	1,075,489	766,003
Total shareholders' equity	86,783	72,247

SELECTED INCOME DATA		
Interest income	\$ 55,450	\$ 51,417
Interest expense	20,474	25,872
Net interest income	34,976	25,545
Provision for loan losses	6,274	3,541
Net interest income after provision for loan losses	28,702	22,004
Non-interest income	2,704	1,441
Non-interest expense	20,576	14,796
Income (loss) before income taxes	10,830	8,649
Provision for income taxes	3,825	3,152
Net income	7,005	5,497
Basic earnings per share	1.37	1.19
Diluted earnings per share	1.31	1.16

SELECTED PERFORMANCE RATIOS		
Return on average assets	0.71%	0.78%
Return on average stockholders' equity	0.28%	9.40%
Net interest margin(1)	3.70%	3.78%
Efficiency ratio(2)	54.61%	54.83%

LIQUIDITY RATIOS		
Net loans to total deposits	92.32%	87.53%
Net average loans to average earning assets	85.84%	77.19%
Non-interest-bearing deposits to total deposits	11.71%	11.15%

CAPITAL ADEQUACY RATIOS		
Stockholders' equity to total assets(3)	7.38%	8.50%
Total risk-based capital(4)	11.25%	11.22%
Tier I capital(5)	10.18%	10.12%
Leverage ratio(6)	9.01%	8.40%

GROWTH RATIOS		
Percentage change in net income	27.43%	35.00%
Percentage changed in diluted net income per share	12.93%	13.21%
Percentage change in assets	38.65%	58.59%
Percentage change in net loans	45.45%	53.43%
Percentage change in deposits	36.00%	61.13%
Percentage change in equity	20.12%	38.18%

- (1) Net interest margin is the net yield on interest earning assets and is the difference between the interest yield earned on interest-earning assets and interest rate paid on interest-bearing liabilities, divided by average earning assets.
- (2) Efficiency ratio is the result of non-interest expense divided by the sum of net interest income and non-interest income.
- (3) Total stockholders' equity excluding unrealized losses on securities available for sale, net of taxes, divided by total assets.
- (4) Total stockholders' equity excluding unrealized losses on securities available for sale, net of taxes, and intangible assets plus allowance for loan losses (limited to 1.25% of risk-weighted assets) divided by total risk-weighted assets. The FDIC required minimum to be well-capitalized is 10%.
- (5) Total stockholders' equity excluding unrealized losses on securities available for sale, net of taxes, and intangible assets divided by total risk-weighted assets. The FDIC required minimum to be well-capitalized is 6%.
- (6) Total stockholders' equity excluding unrealized losses on securities available for sale, net of taxes, and intangible assets divided by average assets less intangible assets. The FDIC required minimum to be well-capitalized is 5%; however, the Alabama Banking Department has required that the Bank maintain a Tier 1 capital leverage ratio of 7%.

OFFICERS AND DIRECTORS

PRINCIPAL OFFICERS: SERVISFIRST BANCSHARES, INC.

Thomas A. Broughton III
Chief Executive Officer and President

William M. Foshee
*Executive Vice President, Chief Financial
Officer, Treasurer and Secretary*

Clarence C. Pouncey III
*Executive Vice President and Chief
Operating Officer*

PRINCIPAL OFFICERS: SERVISFIRST BANK

Thomas A. Broughton III
Chief Executive Officer and President

Clarence C. Pouncey III
*Executive Vice President and Chief
Operating Officer*

G. Carlton Barker
*Executive Vice President and Montgomery
Regional CEO*

Ronald A. DeVane
*Executive Vice President and Dothan
Regional CEO*

William M. Foshee
*Executive Vice President, Chief Financial
Officer, Treasurer and Secretary*

Andrew N. Kattos
*Executive Vice President and Huntsville
Regional CEO*

BOARD OF DIRECTORS: SERVISFIRST BANCSHARES, INC.

Stanley M. Brock, Chairman of the Board
Birmingham, Alabama

Thomas A. Broughton III
Birmingham, Alabama

Joseph R. Cashio
Birmingham, Alabama

James J. Filler
Birmingham, Alabama

Michael D. Fuller
Birmingham, Alabama

Hatton C. V. Smith
Birmingham, Alabama

SERVISFIRST BANCSHARES, INC. COMMITTEES

NOMINATING AND CORPORATE GOVERNANCE

Stanley M. Brock
Joseph R. Cashio
Michael D. Fuller

AUDIT

Michael D. Fuller
Joseph R. Cashio
Stanley M. Brock

COMPENSATION

Hatton C.V. Smith
Joseph R. Cashio
James J. Filler

OFFICES AND LOCATIONS

CORPORATE OFFICES

3300 CAHABA ROAD, SUITE 300
BIRMINGHAM, ALABAMA 35223
205.949.0302

MAIN OFFICE BANKING CENTER

3300 CAHABA ROAD, SUITE 105
BIRMINGHAM, ALABAMA 35223
205.949.0345

DOWNTOWN BANKING CENTER

324 RICHARD ARRINGTON JR. BLVD. NORTH
BIRMINGHAM, ALABAMA 35203
205.949.2200

GREYSTONE BANKING CENTER

5403 HIGHWAY 280, SUITE 401
BIRMINGHAM, ALABAMA 35242
205.949.0870

DOTHAN CORPORATE OFFICE & BANKING CENTER

256 HONEYSUCKLE ROAD
BRIGHTLEAF COURT, SUITE 12
DOTHAN, AL 36305
334.340.4300

HUNTSVILLE CORPORATE OFFICE & DOWNTOWN BANKING CENTER

401 MERIDIAN STREET, SUITE 100
HUNTSVILLE, ALABAMA 35801
256.722.7800

PROVIDENCE BANKING CENTER

475 PROVIDENCE MAIN STREET, SUITE 401
HUNTSVILLE, ALABAMA 35806
256.722.7880

CORPORATE OFFICE &

DOWNTOWN BANKING CENTER

ONE COMMERCE STREET, SUITE 200
MONTGOMERY, ALABAMA 36104
334.223.5800

MONTGOMERY EAST BANKING CENTER

8117 VAUGHN ROAD, UNIT 20
MONTGOMERY, ALABAMA 36116
334.223.5600

STOCKHOLDER INFORMATION

ANNUAL MEETING

The Annual Meeting of Stockholders of ServisFirst Bancshares, Inc. will be held at Vulcan Park Center located at 1701 Valley View Drive, Birmingham, Alabama 35209 on Thursday, May 28, 2009, at 5:00 p.m., C.D.T.

FORM 10-K

Form 10-K is ServisFirst Bancshares, Inc.'s annual report filed with the Securities and Exchange Commission, and is included within this document. A copy of ServisFirst Bancshares, Inc.'s 10-K may be obtained, free of charge, if you address a written request to our Secretary, William M. Foshee, 3300 Cahaba Road, Suite 300, Birmingham, Alabama 35223.

TRANSFER AGENT

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016

AVAILABLE INFORMATION

Our corporate website is www.servisfirstbank.com. We have direct links on this website to our Code of Ethics and the charters for our Audit, Compensation and Corporate Governance and Nominations Committees by clicking on the "Investor Relations" tab. We also have direct links to our filings with the Securities and Exchange Commission (SEC), including, but not limited to, our first annual report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and any amendments to

these reports. You may also obtain a copy of any such report free of charge from us by requesting such copy in writing to 3300 Cahaba Road, Suite 300, Birmingham, Alabama 35223, Attn.: Investor Relations. This annual report and accompanying exhibits and all other reports and filings that we file with the SEC will be available for the public to view and copy (at prescribed rates) at the SEC's Public Reference Room at 100 F Street, Washington, D.C. 20549. You may also obtain copies of such information at the prescribed rates from the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website that contains such reports, proxy and information statements and other information as we file electronically with the SEC by clicking on <http://www.sec.gov>.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Mauldin & Jenkins, LLC
2000 Southbridge Parkway
Birmingham, Alabama 35209
(205) 445-2880

SECURITIES COUNSEL

Haskell Slaughter Young & Rediker, LLC
1400 Park Place Tower
2001 Park Place North
Birmingham, AL 35203
(205) 251-1000



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