



ServisFirst Bancshares, Inc. (SFBS)

Updated October 21st, 2025, by Kody Kester

Key Metrics

Current Price:	\$73	5 Year CAGR Estimate:	15.5%	Market Cap:	\$4.0B
Fair Value Price:	\$88	5 Year Growth Estimate:	10.0%	Ex-Dividend Date:	01/02/26 ¹
% Fair Value:	83%	5 Year Valuation Multiple Estimate:	3.7%	Dividend Payment Date:	01/09/26 ¹
Dividend Yield:	1.8%	5 Year Price Target	\$142	Years Of Dividend Growth:	11
Dividend Risk Score:	A	Sector:	Financials	Rating:	Buy

Overview & Current Events

Founded in 2005, ServisFirst Bancshares, Inc. is a regional bank. SFBS operates as the holding company of ServisFirst Bank.

As of September 30th, 2025, the company had 34 office locations scattered throughout Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Virginia. The market share in its markets ranged from the low single digits to as much as 20%+ in Alabama, where it has its corporate HQ. Concluding Q3 2025, the company had \$17.6 billion in assets.

SFBS's product offerings are what somebody would expect from a bank. Savings products include savings accounts, checking accounts, and money market accounts. SFBS's loan products are residential real estate loans, vehicle loans, personal loans, commercial lines of credit, commercial real estate loans, and construction and development loans. The company also provides customers with telephone and mobile banking, internet banking, safe deposit boxes, and debit and credit cards.

In July, SFBS earned the distinction of being the fifth-ranked publicly traded bank in the nation with between \$10 billion and \$50 billion in assets, according to American Banker. Metrics like three-year average returns on average equity, return on average assets, net interest margin, and other measures are used to arrive at these rankings.

On October 20th, SFBS shared its financial results for the third quarter ended September 30th, 2025. The company's net interest income climbed 15.9% year-over-year to \$133.4 million in the quarter. That was thanks to a 25-basis-point expansion in the net interest margin to 3.09% and a 7.9% uptick in loans during the quarter. SFBS's non-interest income dropped 66.9% over the year-ago period to \$2.8 million for the quarter. Adjusting for a \$7.8 million loss on marketable securities from a restructuring of its portfolio, the company's non-interest income would have jumped 24.5% in the quarter. SFBS posted \$1.30 in adjusted diluted EPS during the quarter, which equates to an 18.2% year-over-year growth rate. This missed the analyst consensus by \$0.04 for the quarter.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$1.20	\$1.52	\$1.72	\$2.53	\$2.76	\$3.13	\$3.82	\$4.61	\$3.79	\$4.16	\$5.05	\$8.13
DPS	\$0.11	\$0.15	\$0.19	\$0.38	\$0.60	\$0.70	\$0.80	\$0.92	\$1.12	\$1.20	\$1.34	\$2.16
Shares²	52.0	52.6	53.0	53.4	53.6	53.9	54.2	54.3	54.5	54.6	54.6	55.4

Over the last decade, SFBS has compounded its diluted EPS at a firmly double-digit annual rate. As the bank grows, this level of growth will likely become less sustainable over time. SFBS plans to keep focusing on opening new locations in metropolitan, Southern markets in the years to come. Along with organic loan growth and incremental net interest margin expansion, we continue to think that EPS can compound by 10.0% annually over the medium term, off an anticipated 2025 base of \$5.05.

¹ Estimated based on past dividend dates.

² Share count is in millions.



ServisFirst Bancshares, Inc. (SFBS)

Updated October 21st, 2025, by Kody Kester

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	19.3	24.6	23.3	12.7	13.6	12.9	22.0	15.0	16.9	20.3	14.5	17.4
Avg. Yld.	0.5%	0.4%	0.5%	1.2%	1.6%	1.7%	0.9%	1.3%	1.7%	1.4%	1.8%	1.5%

Since 2015, SFBS's P/E ratio has ranged from as low as the low double-digits to as high as the mid-20s. Over that time, the P/E ratio has averaged 18.1. Accounting for SFBS's larger scale, we think the fair value multiple should remain just above 17, in line with the five-year average. The current P/E ratio of just 14.5 suggests that shares are moderately undervalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	9%	10%	11%	15%	22%	22%	21%	20%	30%	29%	27%	27%

SFBS enjoys a few notable operating advantages. These include the simplicity of its business model in that loans and deposits are primary drivers of its growth, not ancillary services. Additionally, the company's technology-oriented business model means that its branch footprint is limited. This allows for greater efficiency versus many of its peers. Lastly, SFBS offers the products that big banks do with the delivery that would be expected from a community bank. This has led to profitability in each quarter since 2005 and rather reliable growth in diluted EPS over time.

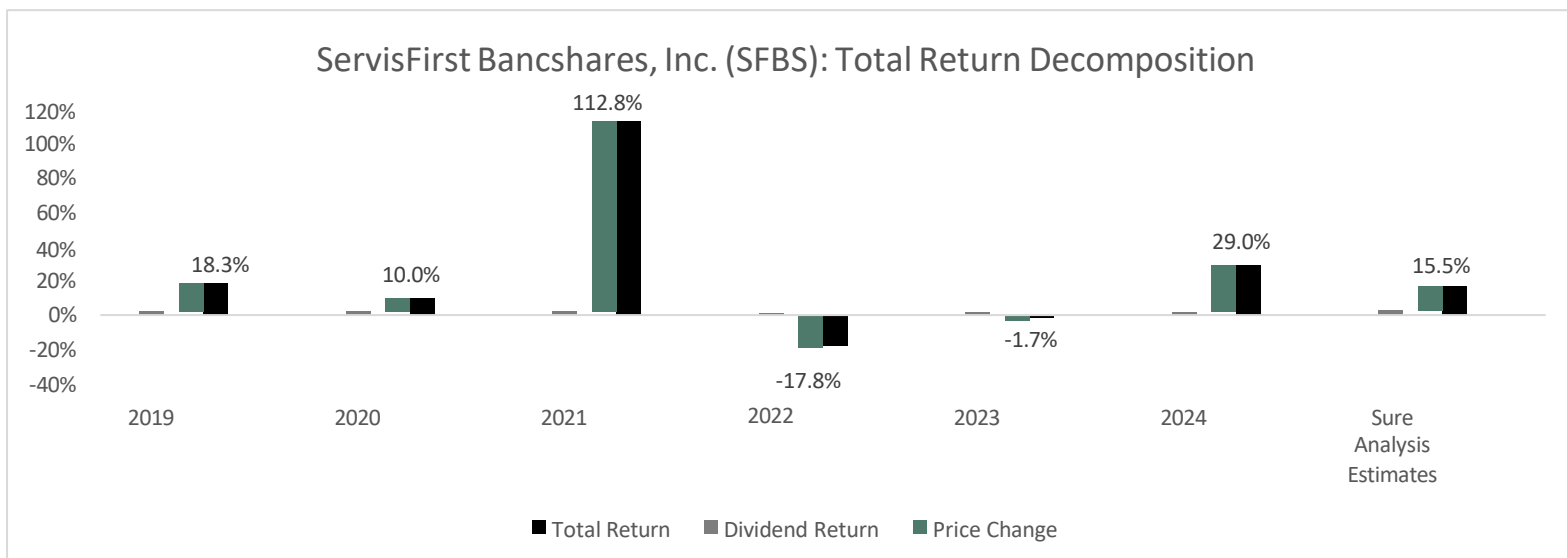
While the company's nonperforming assets ratio jumped to 0.96% in Q3 2025, it remains respectable.

Coupled with a payout ratio that's poised to remain in the high 20% range in 2025, that positions the dividend to grow as fast as earnings in the future. This should translate into approximately 10% annual dividend growth over the next several years.

Final Thoughts & Recommendation

SFBS's 1.8% dividend yield, 10.0% annual diluted EPS growth potential, and 3.7% annual valuation multiple expansion potential could lead to 15.5% annual total returns through 2030. In the last few months, shares of SFBS have dipped by about 12%. In our view, this has made the stock's valuation more attractive. That's why we're maintaining our Buy rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



ServisFirst Bancshares, Inc. (SFBS)

Updated October 21st, 2025, by Kody Kester

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	169	197	240	279	307	363	406	492	427	459
SG&A Exp.	43	48	53	57	62	67	75	84	98	110
D&A Exp.	3	3	3	4	4	4	4	4	4	5
Net Profit	64	81	93	137	149	170	208	252	207	227
Net Margin	37.6%	41.3%	38.8%	49.1%	48.6%	46.7%	51.2%	51.1%	48.5%	54.0%
Free Cash Flow	71	76	97	166	162	189	257	269	193	248
Income Tax	25	29	44	32	38	45	46	57	38	52

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	5,096	6,370	7,082	8,007	8,948	11,933	15,449	14,596	16,130	17,352
Cash & Equivalent	317	624	238	458	530	2,210	4,164	815	2,031	2,377
Accounts Receivable	14	16	21	24	26	37	35	48	59	63
Goodwill & Intang.	15	15	15	14	14	14	14	14	14	14
Total Liabilities	4,646	5,848	6,475	7,292	8,105	10,940	14,297	13,298	14,689	15,735
Accounts Payable	2	4	5	10	12	12	14	19	28	-
Long-Term Debt	56	55	65	65	65	65	65	65	65	65
Shareholder's Equity	449	523	607	715	842	992	1,152	1,297	1,440	1,616
LTD/E Ratio	0.12	0.11	0.11	0.09	0.08	0.07	0.06	0.05	0.05	0.04

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.4%	1.4%	1.4%	1.8%	1.8%	1.6%	1.5%	1.7%	1.3%	1.4%
Return on Equity	14.8%	16.8%	16.5%	20.7%	19.2%	18.5%	19.4%	20.5%	15.1%	14.9%
Shares Out.	52.0	52.6	53.0	53.4	53.6	53.9	54.2	54.3	54.5	54.6
Revenue/Share	3.19	3.68	4.43	5.14	5.68	6.69	7.45	9.02	7.82	8.41
FCF/Share	1.34	1.42	1.80	3.06	2.99	3.49	4.72	4.93	3.55	4.54

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.