ServisFirst Bancshares, Inc. (SFBS)

Updated April 20th, 2026, by Kody Kester

Key Metrics

Current Price:	$77	**5 Year CAGR Estimate:**	17.6%	**Market Cap:**	$4.2B
Fair Value Price :	$102	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	07/01/26[1]
% Fair Value:	76%	**5 Year Valuation Multiple Estimate:**	5.6%	**Dividend Payment Date:**	07/09/26[1]
Dividend Yield:	2.0%	**5 Year Price Target**	$164	**Years Of Dividend Growth:**	12
Dividend Risk S core:	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 March 31st, 2026, the company had 36 office locations scattered throughout Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, Texas, 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 Q1 2026, the company had $18.2 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. Last 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 April 20th, SFBS shared its financial results for the first quarter ended March 31st, 2026. The company's net interest income after provisions for credit losses rose by 17.6% year-over-year to $137.5 million in the quarter. SFBS's net interest margin expanded by 61 basis points over the year-ago period to 3.53% during the quarter. The company's non-interest income climbed 31% higher year-over-year to $10.8 million for the quarter. SFBS's diluted EPS soared 31% over the year-ago period to $1.52 in the quarter. That topped the analyst consensus during the quarter by $0.01.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.52	$1.72	$2.53	$2.76	$3.13	$3.82	$4.61	$3.79	$4.16	$5.06	***$6.35***	***$10.23***
DPS	$0.15	$0.19	$0.38	$0.60	$0.70	$0.80	$0.92	$1.12	$1.20	$1.34	***$1.52***	***$2.45***
Shares[2]	52.6	53.0	53.4	53.6	53.9	54.2	54.3	54.5	54.6	54.6	***54.7***	***55.0***

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 a 2026 base of $6.35.

[1] Estimated based on past dividend dates.
[2] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	24.6	23.3	12.7	13.6	12.9	22.0	15.0	16.9	20.3	14.2	***12.2***	***16.0***
Avg. Yld.	0.4%	0.5%	1.2%	1.6%	1.8%	0.9%	1.3%	1.7%	1.4%	1.9%	***2.0%***	***1.5%***

Since 2016, SFBS's P/E ratio has ranged from as little as the low double-digits to as much as the mid-20s. Over that time, the P/E ratio has averaged 17.6. Accounting for SFBS's larger scale, we think a rational fair value multiple will be around 16, which would a standard deviation below the five-year and 10-year averages. After the selloff in recent months, the current-year P/E ratio has dropped to just 12.2. This suggests that shares are deeply discounted.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	10%	11%	15%	22%	22%	21%	20%	30%	29%	26%	***24%***	***24%***

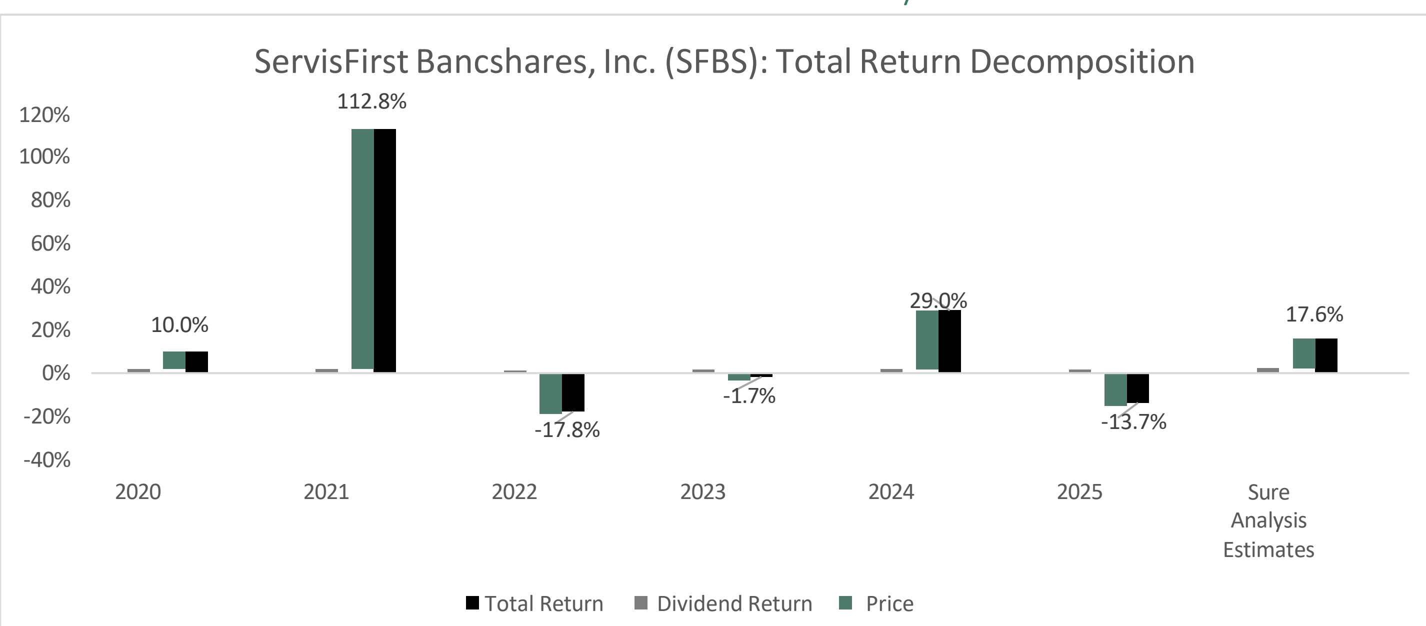
SFBS enjoys a few notable operating advantages. These include the simplicity of its business model in that loans and deposits are primary drivers of its growth, not ancillary services. Additionally, the company's technology-oriented business model means that its branch footprint is limited. This allows 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. That has led to profitability in each quarter since 2005 and rather reliable growth in diluted EPS over time. SFBS's nonperforming assets to total assets ratio was still decent at 1.00% (up three basis points sequentially).

Coupled with a payout ratio that's poised to remain in the mid 20% range in 2026, that positions the dividend to grow as fast as earnings in the future. This should translate into at least 10% annual dividend growth over the next several years.

Final Thoughts & Recommendation

SFBS's 2.0% dividend yield, 10.0% annual diluted EPS growth potential, and 5.6% annual valuation multiple expansion potential could lead to 17.6% annual total returns through 2031. This is 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.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	229	282	345	414	417	447	585	844	981	1,017
D&A Exp.	3	3	4	4	4	4	4	4	5	5
Net Profit	81	93	137	149	170	208	252	207	227	277
Net Margin	35.6%	33.1%	39.7%	36.0%	40.7%	46.5%	43.0%	24.5%	23.2%	27.2%
Free Cash Flow	49	83	166	87	128	257	269	193	248	224
Income Tax	29	44	32	38	45	46	57	38	52	66

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	6,375	7,096	8,012	8,954	11,945	15,463	14,608	16,145	17,365	17,740
Cash & Equivalent	57	86	98	79	94	57	106	123	116	95
Goodwill & Intang.	15	15	14	14	14	14	14	14	14	14
Total Liabilities	5,852	6,488	7,296	8,111	10,952	14,311	13,310	14,705	15,749	15,890
Long-Term Debt	55	65	65	75	75	79	80	87	86	52
Shareholder's Equity	523	607	715	842	992	1,152	1,297	1,440	1,616	1,850
LTD/E Ratio	0.79	0.60	0.49	0.65	0.94	1.56	1.31	0.94	1.29	0.83

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.4%	1.4%	1.8%	1.8%	1.6%	1.5%	1.7%	1.3%	1.4%	1.6%
Return on Equity	16.8%	16.5%	20.7%	19.2%	18.5%	19.4%	20.5%	15.1%	14.9%	16.0%
Shares Out.	52.6	53.0	53.4	53.6	53.9	54.2	54.3	54.5	54.6	54.6
Revenue/Share	4.27	5.20	6.37	7.66	7.69	8.22	10.72	15.47	17.96	18.61
FCF/Share	0.91	1.54	3.06	1.61	2.37	4.72	4.93	3.55	4.55	4.10

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