

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 9, 2018

ServisFirst Bancshares, Inc.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-36452  
(Commission  
File Number)

26-0734029  
(IRS Employer  
Identification No.)

2500 Woodcrest Place, Birmingham, Alabama  
(Address of principal executive offices)

35209  
(Zip Code)

(205) 949-0302

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 – Regulation FD Disclosure**

ServisFirst Bancshares, Inc. (the “Company”) has updated its investor presentation to incorporate current quarter financial information and other data. This material may be used during discussions with certain investors and is attached as Exhibit 99.1 to this Current Report and is incorporated by reference into this Item 7.01. The updated presentation is also available through the Investor Relations link at [www.servisfirstbank.com](http://www.servisfirstbank.com).

The information in this report is being furnished, not filed, pursuant to Regulation FD. Accordingly, the information in Items 7.01 and 9.01 of this report will not be incorporated by reference into any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

**Item 9.01 – Financial Statements and Exhibits.**

- (a) Not applicable
- (b) Not applicable
- (c) Not applicable
- (d) **Exhibits.** The following exhibits are included with this Current Report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">99.1</a>	<a href="#">ServisFirst Bancshares Investor Presentation</a>

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SERVISFIRST BANCSHARES, INC.

/s/ Thomas A. Broughton, III

By: Thomas A. Broughton, III  
President and Chief Executive Officer

Dated: February 9, 2018

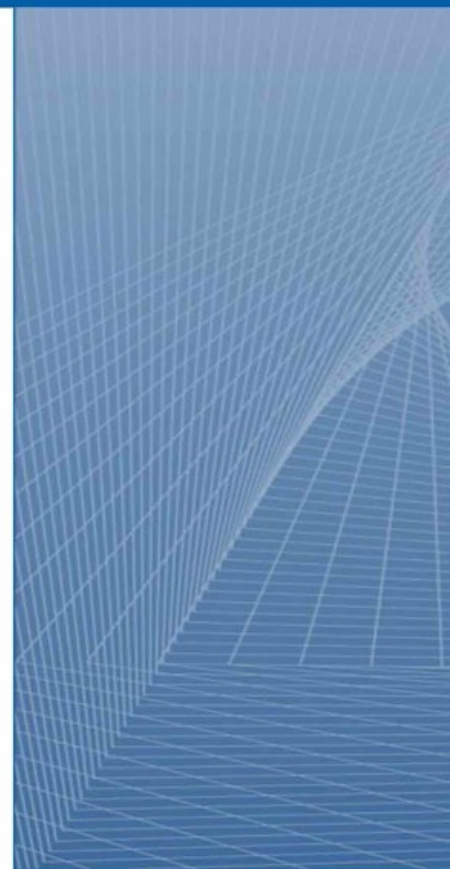




# **ServisFirst Bancshares, Inc.**

**NASDAQ: SFBS**

**February 2018**



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, ServisFirst Bancshares, Inc. may file or furnish documents with the Securities and Exchange Commission which contain forward-looking statements and management may make forward-looking statements orally to analysts, investors, representatives of the media and others. These statements are based on the current beliefs and expectations of ServisFirst Bancshares, Inc.'s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause ServisFirst Bancshares, Inc.'s actual results to differ materially from those described in the forward-looking statements can be found in ServisFirst Bancshares, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2016, and Quarterly Reports on Form 10-Q for the quarters ended September 30, 2017, June 30, 2017, and March 31, 2017 which have been filed with the Securities and Exchange Commission and which are available on ServisFirst Bancshares, Inc.'s website ([www.servisfirstbank.com](http://www.servisfirstbank.com)) and on the Securities and Exchange Commission's website ([www.sec.gov](http://www.sec.gov)). ServisFirst Bancshares, Inc. does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.

- **Non-GAAP Financial Measures**

This presentation includes non-GAAP financial measures. Information about any such non-GAAP financial measures, including a reconciliation of those measures to GAAP, can be found in the presentation.

## Overview

- **Founded in 2005 in Birmingham, AL**
- **Single bank BHC**

## High-Performing Metropolitan Commercial Bank

- **Total Assets<sup>(1)</sup>: \$7.1 billion**
- **Stockholders' Equity<sup>(1)</sup>: \$608 million**
- **ROAA <sup>(2)</sup>: 1.43%**
- **Efficiency Ratio <sup>(2)</sup>: 34.85%**

## High Growth Coupled with Pristine Credit Metrics <sup>(3)</sup>

- **Gross Loans CAGR: 20%**
- **Total Deposits CAGR: 19%**
- **Net Income for Common CAGR: 22%**
- **Diluted EPS CAGR: 16%**
- **NPAs / assets <sup>(1)</sup>: 0.25%**
- **NPLs / loans <sup>(1)</sup>: 0.19%**

1) As of December 31, 2017

2) For twelve months ended December 31, 2017

3) 5-year compounded annual growth rate calculated from December 31, 2012 to December 31, 2017

- **Simple business model**
  - Loans and deposits are primary drivers, not ancillary services
- **Limited branch footprint**
  - Technology provides efficiency
- **Big bank products and bankers**
  - With the style of service and delivery of a community bank
- **Core deposit focus coupled with C&I lending emphasis**
- **Scalable, decentralized business model**
  - Regional CEOs drive revenue
- **Opportunistic expansion, attractive geographies**
  - Teams of the best bankers in each metropolitan market
- **Disciplined growth company that sets high standards for performance**

- **Identify great bankers in attractive markets**
  - Focus on people as opposed to places
  - Target minimum of \$300 million in assets within 3 years
  - Best bankers in growing markets
  
- **Market strategies**
  - Regional CEOs execute simple business model
  - Back office support and risk management infrastructure
  - Non-legal board of directors comprised of key business people
  - Provide professional banking services to mid-market commercial customers that have been neglected or pushed down to branch personnel by national and other larger regional banks
  
- **Opportunistic future expansion**
  - Southern markets, metropolitan focus
  - Draw on expertise of industry contacts



# Milestones

- **Founded in May 2005 with initial capital raise of \$35 million**
- **Reached profitability during the fourth quarter of 2005 and have been profitable every quarter since**



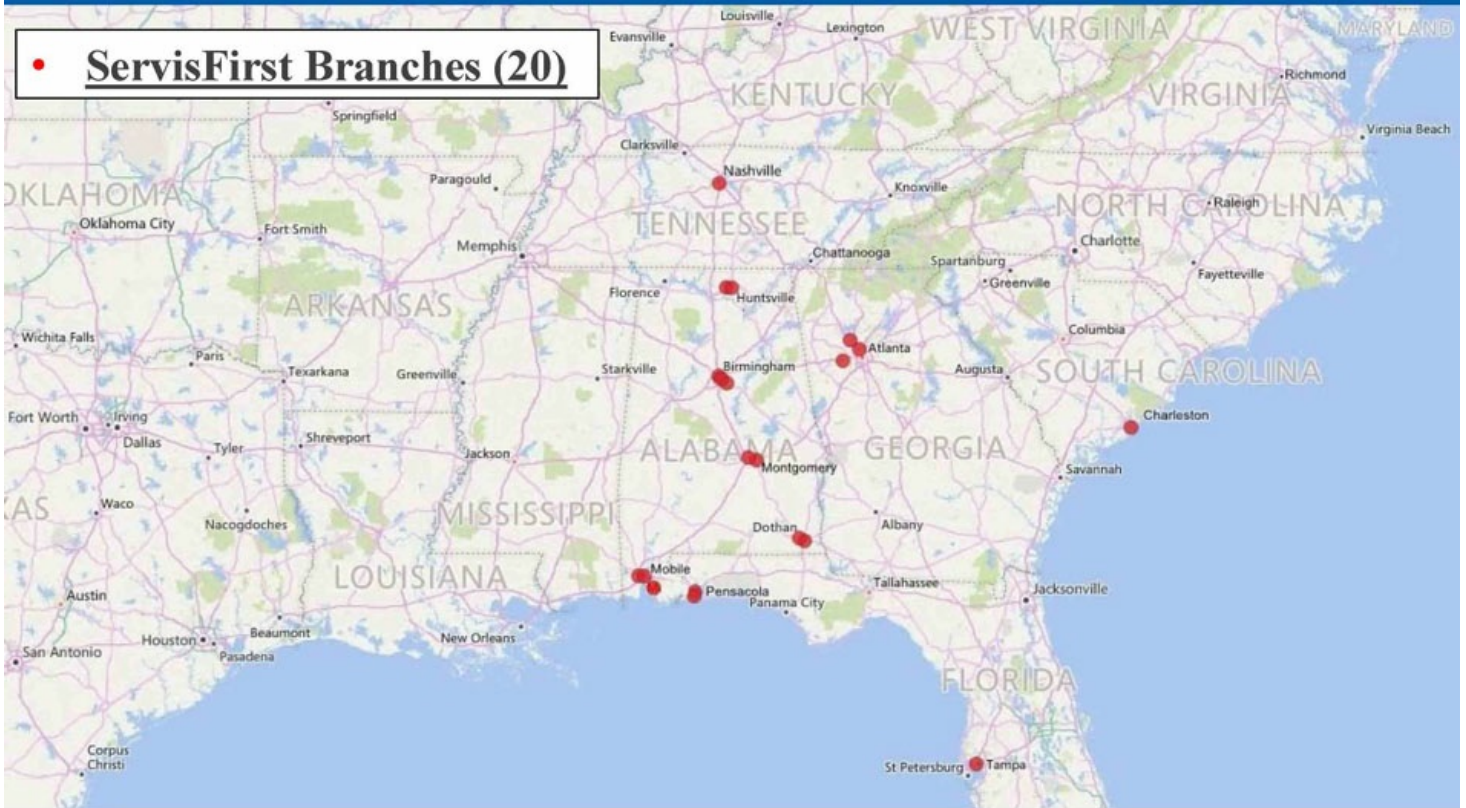
- **Achieved total asset milestones of \$1 billion in 2008, \$2 billion in 2011, \$3 billion in 2013, \$4 billion in 2014, \$5 billion in 2015, \$6 billion in 2016, and \$7 billion in 2017**

# Our Footprint

Servis1st Bank®

OUR NAME IS OUR MISSION.

## • ServisFirst Branches (20)



# Our Regions



OUR NAME IS OUR MISSION.

Region <sup>(1)</sup>	Total Branches <sup>(2)</sup>	Total MSA Deposits <sup>(3)</sup> (\$ in billions)	Market Share <sup>(3)</sup> (%)
<b><u>Alabama</u></b>			
Birmingham - Hoover	3	37.9	6.2
Montgomery	2	8.1	6.8
Huntsville	2	7.8	9.7
Mobile	3	7.2	3.3
Dothan	2	3.2	15.1
<b><u>Florida</u></b>			
Tampa - St. Petersburg - Clearwater	1	81.9	0.1
Pensacola - Ferry Pass - Brent	2	5.6	5.9
<b><u>Tennessee</u></b>			
Nashville	1	57.4	0.5
<b><u>Georgia</u></b>			
Atlanta - Sandy Springs - Roswell	3	166.9	0.2
<b><u>South Carolina</u></b>			
Charleston	1	13.2	0.8
<b>Total</b>	<b>20</b>	<b>389.2</b>	

1) Represents metropolitan statistical areas (MSAs)

2) As of February 2018

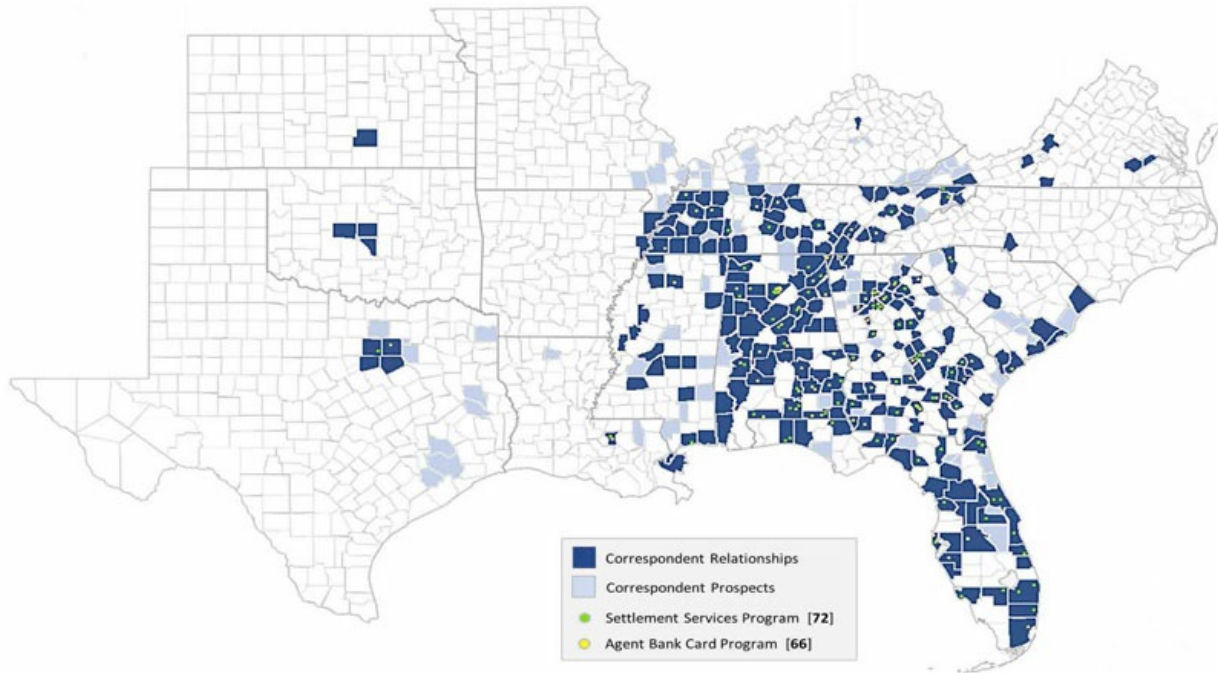
3) As reported by the FDIC as of 6/30/2017

- **“Loan making and deposit taking”**
  - Traditional commercial banking services
  - No emphasis on non-traditional business lines
  
- **Culture of cost control**
  - “Branch light,” with \$321 million<sup>(1)</sup> average deposits per banking center
  - Leverage technology and centralized infrastructure
  - Headcount focused on production and risk management
  - Key products; including remote deposit capture, cash management, remote currency manager
  - Outsource selected functions
  
- **C&I lending expertise**
  - 39% of gross loans
  - Target customers: privately held businesses \$2 to \$250 million in annual sales, professionals, affluent consumers

1) Includes branches that have been open for a minimum of one year

- **Local decision-making**
  - Emphasize local decision-making to drive customer revenue
  - Centralized, uniform risk management and support
  - Conservative local lending authorities, covers most lending decisions
  
- **Geographic organizational structure (as opposed to line of business structure)**
  
- **Regional CEOs empowered and held accountable**
  - Utilize stock based compensation to align goals
  
- **Top-down sales culture**
  - Senior management actively involved in customer acquisition

# Correspondent Banking Footprint



12/31/2016	# of Accts	Balance (000s)	Avg Rel Bal
<b>Total Relationships</b>	<b>299</b>	<b>630,866</b>	
Fed Funds Purchased		355,944	1.19 MM
Deposit Accounts		274,922	0.92 MM

12/31/2017	# of Accts	Balance (000s)	Avg Rel Bal
<b>Total Relationships</b>	<b>332</b>	<b>693,791</b>	
Fed Funds Purchased		301,797	0.91 MM
Deposit Accounts		392,496	1.18 MM

# Our Management Team



## **Thomas A. Broughton, III** President and Chief Executive Officer

- Previously President and CEO of First Commercial Bank (acquired by Synovus Financial, 1992); subsequently, regional CEO for Synovus
- *American Banker's* 2009 Community Banker of the Year
- 62 years old

## **William M. Foshee** EVP and Chief Financial Officer

- Previously Chief Financial Officer of Heritage Financial Holding Corporation
- Certified public accountant
- 63 years old

## **Clarence C. Pouncey, III** EVP and Chief Operating Officer

- Previously with Wachovia; oversaw production functions in Alabama, Arizona, Tennessee and Texas
- Previously SVP of SouthTrust Bank
- 61 years old

## **Don G. Owens** EVP and Chief Credit Officer

- Previously Senior Vice President and Senior Loan Administrator, BBVA-Compass
- 66 years old

## **Rodney E. Rushing** EVP, Correspondent Banking Executive

- Previously Executive Vice President of Correspondent Banking, BBVA-Compass
- 60 years old

- **Management team and Board of Directors own approximately 14% of fully-diluted shares**

# Our Regions



OUR NAME IS OUR MISSION.

## Andrew N. Kattos

### EVP and Regional CEO Huntsville

- Previously EVP/Senior Lender for First Commercial Bank
- 48 years old

## George C. Barker

### EVP and Regional CEO Montgomery

- Previously Group President for Regions Bank Southeast Alabama Bank Group
- 69 years old

## B. Harrison Morris

### EVP and Regional CEO Dothan

- Previously Market President of Wachovia's operation in Dothan
- 41 years old

## Rex D. McKinney

### EVP and Regional CEO Pensacola

- Previously EVP/Senior Commercial Lender for First American Bank/Coastal Bank and Trust (Synovus)
- 55 years old

## William "Bibb" Lamar

### EVP and Regional CEO Mobile

- Previously CEO of BankTrust for over 20 years
- 74 years old

## Bradford Vieira

### EVP and Regional CEO Nashville

- Previously SVP and Commercial Banking Manager at ServisFirst Bank
- 42 years old

## Thomas G. Trouche

### EVP and Regional CEO Charleston

- Previously Executive Vice President Coastal Division for First Citizens Bank
- 53 years old

## Kenneth L. Barber

### EVP and Regional CEO Atlanta

- Previously founding Chairman and CEO of Metro Bancshares
- 63 years old

## Greg Bryant

### EVP and Regional CEO Tampa Bay

- Previously President and CEO of Bay Cities Bank in Tampa Bay
- 54 years old

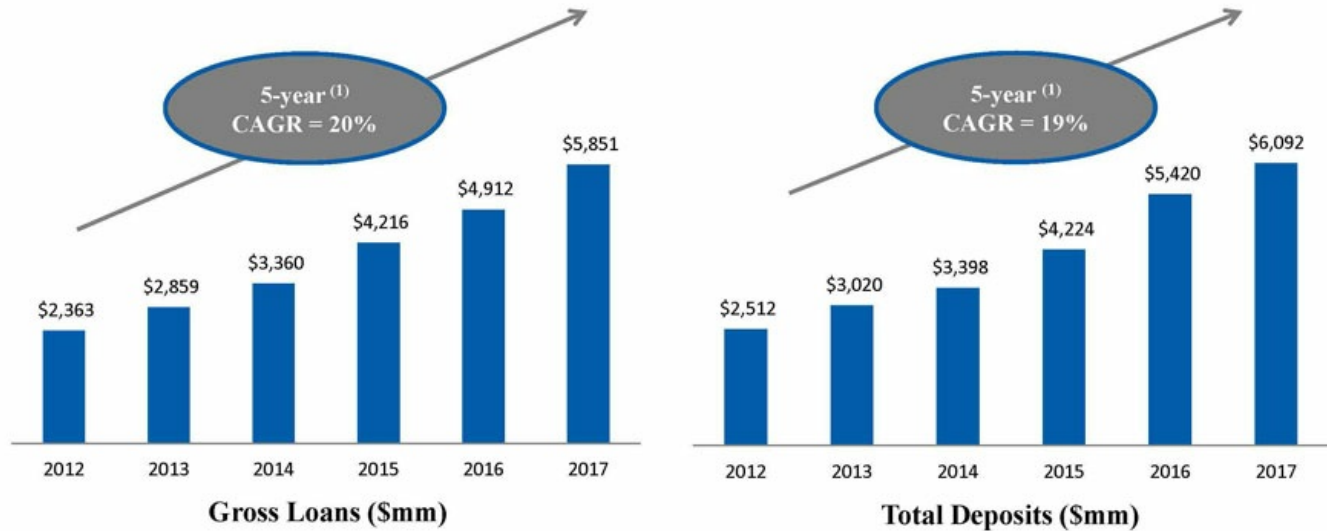


## Financial Results

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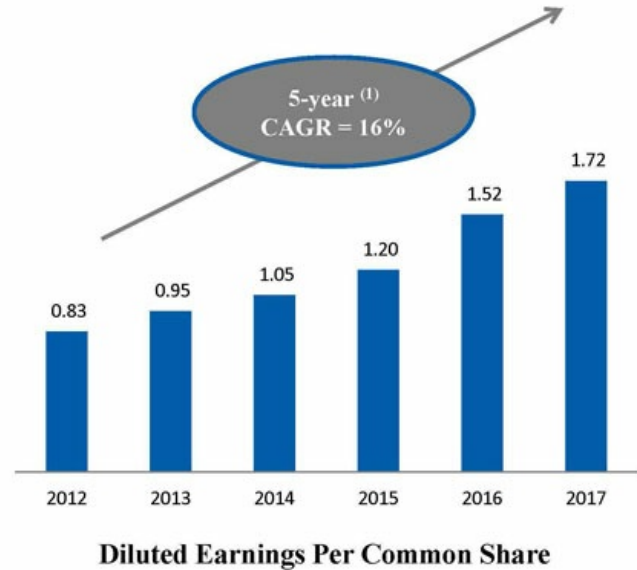
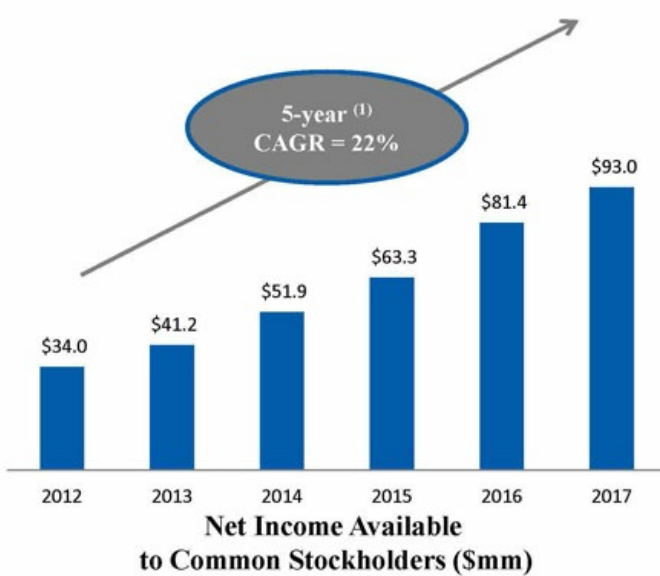
# Balance Sheet Growth

- Organic growth of gross loans and total deposits in the 20% range
- 5-year <sup>(1)</sup> CAGR of non-interest bearing deposits = 21%
- 5-year <sup>(1)</sup> CAGR of C&I loans = 17%



<sup>1)</sup> 5-year CAGR = 12/31/2012 – 12/31/2017

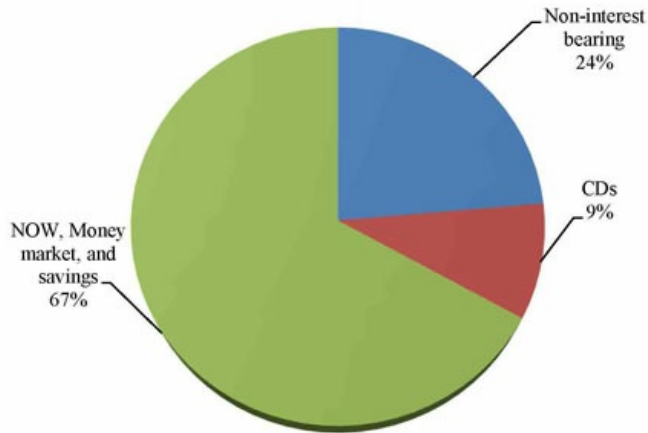
- Rare combination of balance sheet growth and earnings power
- EPS growth includes impact of \$55.1 million of common stock issued in five private placements as we entered new markets and \$56.9 from the initial public offering



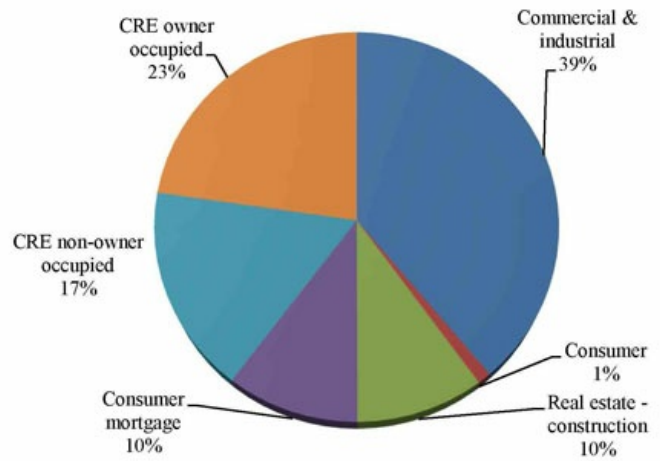
<sup>1)</sup> 5-year CAGR = 12/31/2012 - 12/31/2017

# Balance Sheet Makeup

- **Primary focus on building core deposits, highlighted by non-interest bearing accounts and non-reliance on CDs**
- **C&I lending expertise within a well balanced loan portfolio**



**Deposit Mix <sup>(1)</sup>**  
**0.77% Cost of Interest Bearing Deposits <sup>(2)</sup>**



**Loan Portfolio <sup>(1)</sup>**  
**4.68% Yield on Loans <sup>(2)</sup>**

1) As of December 31, 2017  
2) Average for the three months ended December 31, 2017

# Loan Growth by Region

<i>Dollars in Thousands</i>				2017 Annualized
Region	12/31/2016	12/31/2017	YTD Growth	Growth Rate
Birmingham, AL	\$ 2,155,907	\$ 2,535,601	\$ 379,694	18%
Nashville, TN	\$ 403,490	\$ 498,622	\$ 95,132	24%
Mobile, AL	\$ 287,273	\$ 372,146	\$ 84,873	30%
Atlanta, GA	\$ 188,597	\$ 266,571	\$ 77,974	41%
Charleston, SC	\$ 126,831	\$ 198,267	\$ 71,436	56%
Dothan, AL	\$ 479,623	\$ 547,478	\$ 67,855	14%
Tampa Bay, FL	\$ 68,966	\$ 130,456	\$ 61,490	89%
Huntsville, AL	\$ 490,926	\$ 550,896	\$ 59,970	12%
Pensacola, FL	\$ 340,745	\$ 366,066	\$ 25,321	7%
Montgomery, AL	\$ 369,412	\$ 385,158	\$ 15,746	4%
Total Loans	\$ 4,911,770	\$ 5,851,261	\$ 939,491	19%

# Loan Growth by Type

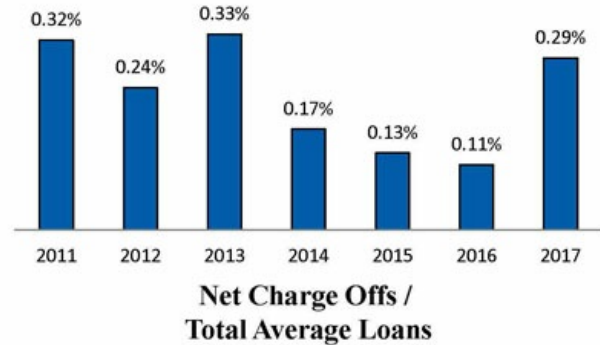
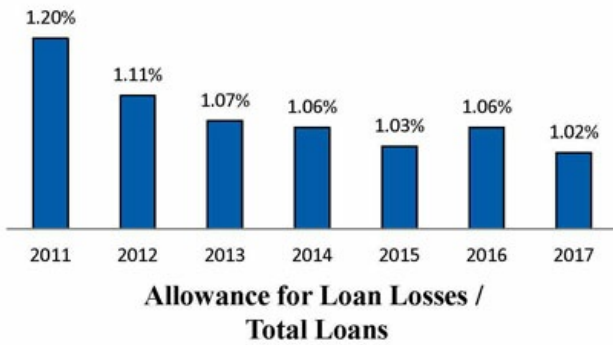
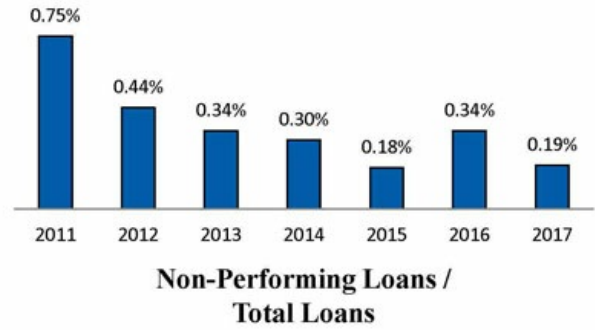


<i>Dollars in Thousands</i>				
Loan Type	12/31/2016	12/31/2017	YTD Growth by Loan Type	% of YTD Growth
Commercial, Financial and Agricultural	\$ 1,982,267	\$ 2,279,366	\$ 297,099	32%
Real Estate - Construction	\$ 335,085	\$ 580,874	\$ 245,789	26%
Real Estate - Mortgage:				
Owner-Occupied Commercial	\$ 1,171,719	\$ 1,328,666	\$ 156,947	17%
1-4 Family Mortgage	\$ 536,805	\$ 603,063	\$ 66,258	7%
Other Mortgage	\$ 830,683	\$ 997,079	\$ 166,396	18%
Subtotal: Real Estate - Mortgage	\$ 2,539,207	\$ 2,928,808	\$ 389,601	41%
Consumer	\$ 55,211	\$ 62,213	\$ 7,002	1%
Total Loans	\$ 4,911,770	\$ 5,851,261	\$ 939,491	

## Commercial Real Estate Trends

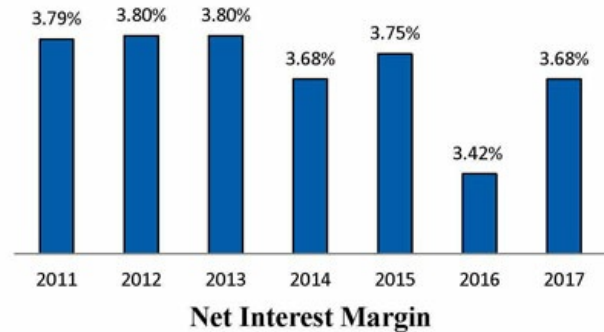
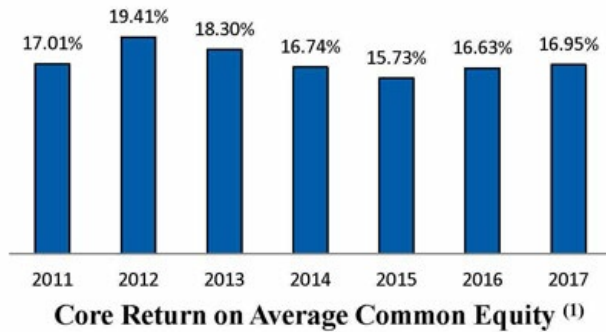
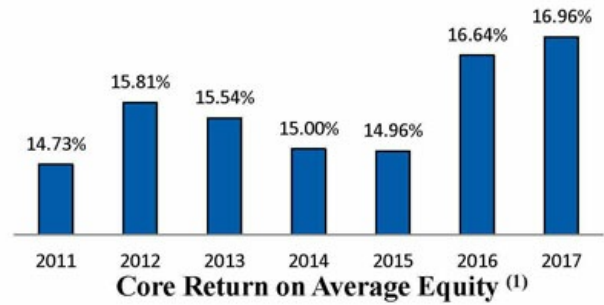
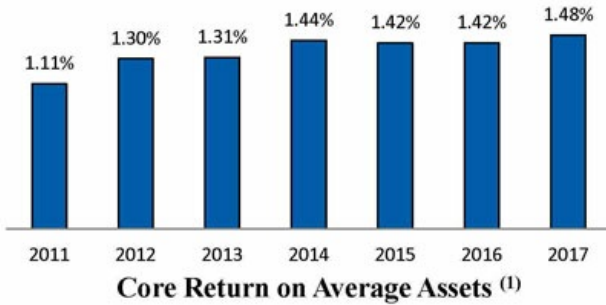
(In Thousands)	Year Ended December 31,						
	2011	2012	2013	2014	2015	2016	2017
1-4 Family Construction Speculative	\$ 30,301	\$ 24,962	\$ 16,403	\$ 13,608	\$ 25,794	\$ 27,835	\$ 31,230
1-4 Family Construction Sold	\$ 11,159	\$ 21,607	\$ 21,414	\$ 28,124	\$ 29,086	\$ 45,051	\$ 47,441
Resi Acquisition & Development	\$ 31,400	\$ 20,949	\$ 20,474	\$ 20,009	\$ 18,693	\$ 17,681	\$ 40,956
Multifamily Permanent	\$ 28,481	\$ 39,800	\$ 38,601	\$ 54,725	\$ 71,217	\$ 92,052	\$ 127,502
Residential Lot Loans	\$ 30,115	\$ 25,160	\$ 20,418	\$ 25,630	\$ 27,844	\$ 23,138	\$ 20,059
Commercial Lots	\$ 10,067	\$ 10,054	\$ 9,479	\$ 16,007	\$ 17,986	\$ 25,618	\$ 31,601
Raw Land	\$ 24,961	\$ 27,063	\$ 24,686	\$ 30,124	\$ 60,360	\$ 37,228	\$ 44,145
Commercial Construction	\$ 14,801	\$ 26,565	\$ 50,389	\$ 76,904	\$ 72,807	\$ 158,537	\$ 365,442
Other CRE Income Property	\$ 160,080	\$ 219,873	\$ 273,806	\$ 341,262	\$ 517,416	\$ 640,793	\$ 748,630
<b>Total CRE (Excluding O/O CRE)</b>	<b>\$ 341,365</b>	<b>\$ 416,034</b>	<b>\$ 475,671</b>	<b>\$ 606,394</b>	<b>\$ 841,203</b>	<b>\$ 1,067,930</b>	<b>\$ 1,457,006</b>
<b>Total Risk-Based Capital</b>	<b>\$ 246,334</b>	<b>\$ 287,136</b>	<b>\$ 343,904</b>	<b>\$ 458,073</b>	<b>\$ 530,688</b>	<b>\$ 616,415</b>	<b>\$ 718,151</b>
CRE as % of Total Capital	139%	145%	138%	132%	159%	173%	203%
<b>Total Gross Loans</b>	<b>\$ 1,830,742</b>	<b>\$ 2,363,182</b>	<b>\$ 2,858,868</b>	<b>\$ 3,359,858</b>	<b>\$ 4,216,375</b>	<b>\$ 4,911,770</b>	<b>\$ 5,851,261</b>
CRE as % of Total Portfolio	19%	18%	17%	18%	20%	22%	25%
CRE Owner Occupied	\$ 398,601	\$ 568,041	\$ 710,372	\$ 793,917	\$ 1,014,669	\$ 1,171,719	\$ 1,328,666
CRE OO as % of Total Portfolio	22%	24%	25%	24%	24%	24%	23%
CRE OO as % of Total Capital	162%	198%	207%	173%	191%	190%	185%
<b>Acquisition, Development, &amp; Construction Trends</b>							
AD&C	\$ 151,218	\$ 158,361	\$ 151,868	\$ 208,769	\$ 243,267	\$ 335,085	\$ 580,874
AD&C as % of Total Capital	61%	55%	44%	46%	46%	54%	81%
AD&C as % of Total Portfolio	8%	7%	5%	6%	6%	7%	10%

- Strong loan growth while maintaining asset quality discipline



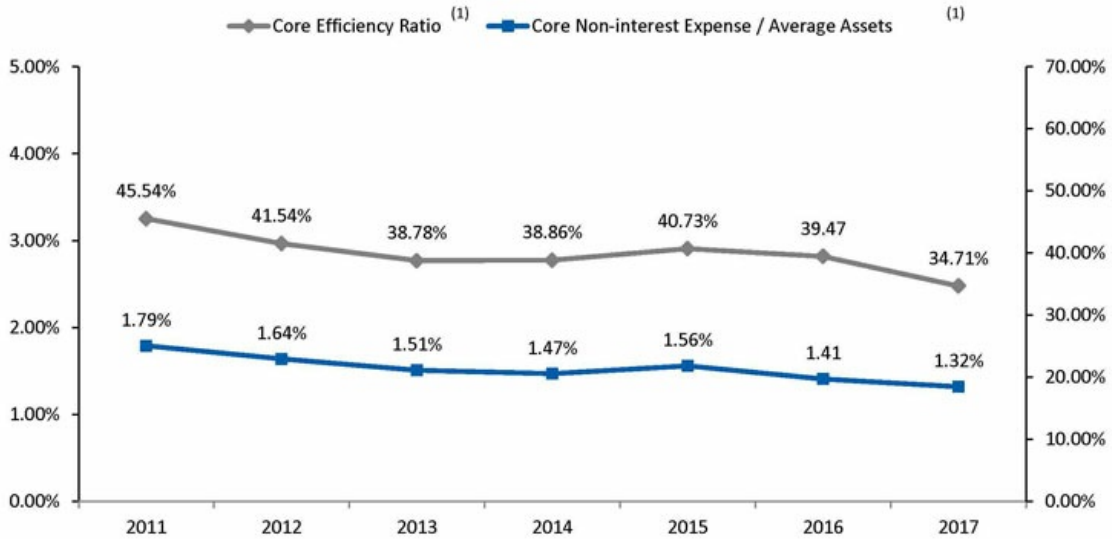


- Consistent earnings results and strong momentum



<sup>(1)</sup> For a reconciliation of these non-GAAP measures to the most comparable GAAP measure, see "GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures" included on page 34 of this presentation.

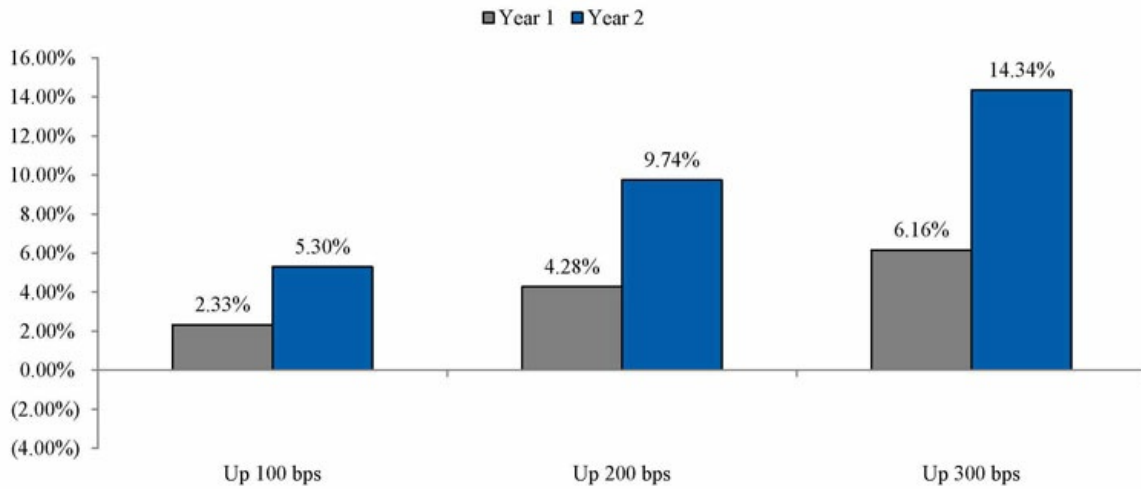
- Our operating structure and business strategy enable efficient, profitable growth



**Core Efficiency Ratio <sup>(1)</sup> and  
Core Non-interest Expense / Average Assets <sup>(1)</sup>**

<sup>1)</sup> For a reconciliation of these non-GAAP measures to the most comparable GAAP measure, see "GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures" included on page 34 of this presentation.

## Change in Net Interest Income



Scenario	Based on parallel shift in yield curve and a static balance sheet
Variable-rate Loans	49% of loans are variable rate
Deposit Mix	24% of deposits are held in non-interest bearing demand deposit accounts

## Appendix

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# Our Regions: Centers for Continued Growth



## **Birmingham, AL**

- *Key Industries:* Metals manufacturing, finance, insurance, healthcare services and distribution
- *Key Employers:* Protective Life, HealthSouth Corporation, Vulcan Materials Company, AT&T, and University of Alabama at Birmingham

## **Huntsville, AL**

- *Key Industries:* U.S. government, aerospace/defense, commercial and university research
- *Key Employers:* U.S. Army/Redstone Arsenal, Boeing Company, NASA/Marshall Space Flight Center, Intergraph Corporation, ADTRAN, Northrop Grumman, Cinram, SAIC, DirecTV, Lockheed Martin, and Toyota Motor Manufacturing

## **Montgomery, AL**

- *Key Industries:* U.S. and state government, U.S. Air Force , automotive manufacturing
- *Key Employers:* Maxwell Gunter Air Force Base, State of Alabama, Baptist Health Systems, Hyundai Motor Manufacturing, and MOBIS Alabama

# Our Regions: Centers for Continued Growth (cont.)



## **Dothan, AL**

- *Key Industries:* Agriculture, manufacturing, and healthcare services
- *Key Employers:* Southeast Alabama Medical Center, Wayne Farms, Southern Nuclear, Michelin Tire, Pemco World Air Services, Globe Motors, and AAA Cooper Transportation

## **Pensacola, FL**

- *Key Industries:* Military, health services, medical technology industries, and tourism
- *Key Employers:* Eglin Air Force Base, Hurlburt Field, Pensacola Whiting Field, Pensacola Naval Air Station and Corry Station, Sacred Heart Health System, West Florida Regional Hospital, Gulf Power Company, University of West Florida, Solutia, and GE Wind Energy

## **Mobile, AL**

- *Key Industries:* Aircraft assembly, aerospace, steel, ship building, maritime, construction, medicine, and manufacturing
- *Key Employers:* Port of Mobile, Infirmary Health Systems, Austal USA, Brookley Aeroplex, ThyssenKrupp, Infirmary Health Systems, University of South Alabama, ST Aerospace Mobile, and EADS

## Our Regions: Centers for Continued Growth (cont.)



### **Nashville, TN**

- *Key Industries:* Healthcare, manufacturing, transportation, and technology
- *Key Employers:* HCA Holdings, Nissan North America, Dollar General Corporation, Asurion, and Community Health Systems

### **Charleston, SC**

- *Key Industries:* Maritime, information technology, higher education, military, manufacturing, and tourism
- *Key Employers:* Joint Base Charleston, Medical University of South Carolina, Roper St. Francis Healthcare, Boeing Company, Robert Bosch LLC, Blackbaud, and SAIC

### **Atlanta, GA**

- *Key Industries:* Logistics, media, information technology, and entertainment
- *Key Employers:* Coca-Cola Company, Home Depot, Delta Air Lines, AT&T Mobility, UPS, Newell-Rubbermaid, Cable News Network, and Cox Enterprises

### **Tampa Bay, FL**

- *Key Industries:* Defense, financial services, information technology, healthcare, transportation, manufacturing, and tourism
- *Key Employers:* Baycare Health System, University of South Florida, Tech Data, Raymond James Financial, Jabil Circuit, HSN, WellCare Health Plans, and Teco Energy

**The Bank has invested in three types of tax credit partnerships which provide loan opportunities and allow for the recognition of tax credits**

- **New Market Tax Credit** – designed to encourage private sector equity investments in low income communities
- **Low Income Housing Tax Credits** – designed to encourage private sector investment in the development of affordable rental housing
- **Historical Tax Credits** – designed to encourage the preservation and reuse of historic buildings



# Our Financial Performance: Key Operating and Performance Metrics

Servis 1st Bank®

OUR NAME IS OUR MISSION.

Dollars in Millions Except per Share Amounts	For the Year Ended December 31,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	
<b>Balance Sheet</b>										
Total Assets	\$1,573	\$1,935	\$2,461	\$2,906	\$3,521	\$4,099	\$5,096	\$6,370	\$7,082	
Net Loans	\$1,192	\$1,377	\$1,809	\$2,337	\$2,828	\$3,324	\$4,173	\$4,860	\$5,792	
Deposits	\$1,432	\$1,759	\$2,144	\$2,512	\$3,020	\$3,398	\$4,224	\$5,420	\$6,092	
Loans / Deposits	84%	79%	85%	94%	95%	99%	99%	90%	95%	
Total Equity	\$98	\$117	\$196	\$233	\$297	\$407	\$449	\$523	\$608	
<b>Profitability</b>										
Net Income	\$5.9	\$17.4	\$23.4	\$34.4	\$41.6	\$52.3	\$63.5	\$81.5	\$93.1	
Net Income Available to Common	\$5.9	\$17.4	\$23.2	\$34.0	\$41.2	\$51.9	\$63.3	\$81.4	\$93.0	
Core Net Income Available to Common <sup>(1)</sup>	\$5.9	\$17.4	\$23.2	\$34.0	\$41.2	\$53.6	\$65.0	\$81.4	\$96.3	
Core ROAA <sup>(1)</sup>	0.43%	1.04%	1.12%	1.31%	1.32%	1.44%	1.42%	1.42%	1.48%	
Core ROAE <sup>(1)</sup>	6.33%	15.86%	14.86%	15.99%	15.70%	15.00%	14.96%	16.64%	16.96%	
Core ROACE <sup>(1)</sup>	6.33%	15.86%	17.01%	19.41%	18.30%	16.74%	15.73%	16.63%	16.95%	
Net Interest Margin	3.31%	3.94%	3.79%	3.80%	3.80%	3.68%	3.75%	3.42%	3.68%	
Core Efficiency Ratio <sup>(1)</sup>	59.93%	45.51%	45.54%	41.54%	38.78%	38.86%	40.73%	39.47%	34.71%	
<b>Capital Adequacy</b>										
Tangible Common Equity to Tangible Assets <sup>(2)</sup>	6.20%	6.05%	6.35%	6.65%	7.31%	8.96%	8.54%	7.99%	8.39%	
Common Equity Tier 1 RBC Ratio	NA	NA	NA	NA	NA	NA	9.72%	9.78%	9.51%	
Tier I Leverage Ratio	6.97%	7.77%	9.17%	8.43%	8.48%	9.91%	8.55%	8.22%	8.51%	
Tier I RBC Ratio	8.89%	10.22%	11.39%	9.89%	10.00%	11.75%	9.73%	9.78%	9.52%	
Total RBC Ratio	10.48%	11.82%	12.79%	11.78%	11.73%	13.38%	11.95%	11.84%	11.52%	
<b>Asset Quality</b>										
NPAs / Assets	1.57%	1.10%	1.06%	0.69%	0.64%	0.41%	0.26%	0.34%	0.25%	
NCOs / Average Loans	0.60%	0.55%	0.32%	0.24%	0.33%	0.17%	0.13%	0.11%	0.29%	
Loan Loss Reserve / Gross Loans	1.24%	1.30%	1.20%	1.11%	1.07%	1.06%	1.03%	1.06%	1.02%	
<b>Per Share Information</b>										
Common Shares Outstanding	33,080,892	33,164,892	35,593,092	37,612,872	44,100,072	49,603,036	51,945,396	52,636,896	52,992,586	
Book Value per Share	\$2.95	\$3.53	\$4.39	\$5.14	\$5.83	\$7.41	\$8.65	9.93	11.47	
Tangible Book Value per Share <sup>(2)</sup>	\$2.95	\$3.53	\$4.39	\$5.14	\$5.83	\$7.41	\$8.35	9.65	11.19	
Diluted Earnings per Share	\$0.17	\$0.47	\$0.59	\$0.83	\$0.95	\$1.05	\$1.20	1.52	1.72	
Core Diluted Earnings per Share <sup>(1)</sup>	\$0.17	\$0.47	\$0.59	\$0.83	\$0.95	\$1.08	\$1.23	1.52	1.78	

1) For a reconciliation of these non-GAAP measures to the most comparable GAAP measure, see "GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures" included on page 34 of this presentation.

2) Non-GAAP financial measures. "Tangible Common Equity to Tangible Assets" and "Tangible Book value per Share" are not measures of financial performance recognized by generally accepted accounting principles in the United States, or GAAP.

# Our Financial Performance: Asset Quality



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<i>Dollars in Thousands</i>	Year Ended December 31,								
	2009	2010	2011	2012	2013	2014	2015	2016	2017
Nonaccrual Loans:									
1-4 Family	265	202	670	453	1,878	1,596	198	74	459
Owner-Occupied Commercial Real Estate	909	635	792	2,786	1,435	683	--	--	556
Other Real Estate Loans	615	--	693	240	243	959	1,619	--	--
Commercial, Financial & Agricultural	2,032	2,164	1,179	276	1,714	172	1,918	7,282	9,712
Construction	8,100	10,722	10,063	6,460	3,749	5,049	4,000	3,268	--
Consumer	--	624	375	135	602	666	31	--	38
Total Nonaccrual Loans	11,921	14,347	13,772	10,350	9,621	9,125	7,766	10,624	10,765
Total 90+ Days Past Due & Accruing	267	--	--	8	115	925	1	6,263	60
Total Nonperforming Loans	12,188	14,347	13,772	10,358	9,736	10,050	7,767	16,887	10,825
Other Real Estate Owned & Repossessions	12,525	6,966	12,305	9,721	12,861	6,840	5,392	4,988	6,701
Total Nonperforming Assets	24,713	21,313	26,077	20,079	22,597	16,890	13,159	21,875	17,526
Troubled Debt Restructurings (TDRs) (Accruing):									
1-4 Family	--	--	--	1,709	8,225	--	--	--	850
Owner-Occupied Commercial Real Estate	845	--	2,785	3,121	--	--	--	--	3,664
Other Real Estate Loans	--	--	331	302	285	1,663	253	204	--
Commercial, Financial & Agricultural	--	2,398	1,369	1,168	962	6,632	6,618	354	11,438
Construction	--	--	--	3,213	217	--	--	--	997
Consumer	--	--	--	--	--	--	--	--	--
Total TDRs (Accruing)	845	2,398	4,485	9,513	9,689	8,295	6,871	558	16,949
Total Nonperforming Assets & TDRs (Accruing)	25,558	23,711	30,562	29,592	32,286	25,185	20,030	22,433	34,475
Total Nonperforming Loans to Total Loans	1.01%	1.03%	0.75%	0.44%	0.34%	0.30%	0.18%	0.34%	0.19%
Total Nonperforming Assets to Total Assets	1.57%	1.10%	1.06%	0.69%	0.64%	0.41%	0.26%	0.34%	0.25%
Total Nonperforming Assets & TDRs (Accruing) to Total Assets	1.62%	1.23%	1.24%	1.02%	0.92%	0.61%	0.39%	0.35%	0.49%

# Our Financial Performance: Loan Loss Reserve and Charge-Offs

**Servis 1st Bank**

OUR NAME IS OUR MISSION.

<i>Dollars in Thousands</i>	Year Ended December 31,								
	2009	2010	2011	2012	2013	2014	2015	2016	2017
Allowance for Loan Losses:									
Beginning of Year	\$ 10,602	\$ 14,737	\$ 18,077	\$ 22,030	\$ 26,258	\$ 30,663	\$ 35,629	\$ 43,419	\$ 51,893
Charge-Offs:									
Commercial, Financial and Agricultural	(2,616)	(1,667)	(1,096)	(1,106)	(1,932)	(2,311)	(3,802)	(3,791)	(13,910)
Real Estate - Construction	(3,322)	(3,488)	(2,594)	(3,088)	(4,829)	(1,267)	(667)	(815)	(56)
Real Estate - Mortgage:	(531)	(1,775)	(1,096)	(660)	(241)	(1,965)	(1,104)	(380)	(2,056)
Consumer	(207)	(278)	(867)	(901)	(210)	(228)	(171)	(212)	(310)
Total Charge-Offs	(6,676)	(7,208)	(5,653)	(5,755)	(9,012)	(5,771)	(5,744)	(5,198)	(16,332)
Recoveries:									
Commercial, Financial and Agricultural	0	97	361	125	66	48	279	49	337
Real Estate - Construction	108	53	180	58	296	322	238	76	168
Real Estate - Mortgage:	3	32	12	692	36	74	169	146	89
Consumer	15	16	81	8	11	34	1	3	26
Total Recoveries	126	198	634	883	409	478	687	274	620
Net Charge-Offs	(6,550)	(7,010)	(5,019)	(4,872)	(8,603)	(5,293)	(5,057)	(4,924)	(15,712)
Provision for Loan Losses Charged to Expense	10,685	10,350	8,972	9,100	13,008	10,259	12,847	13,398	23,225
Allowance for Loan Losses at End of Period	\$ 14,737	\$ 18,077	\$ 22,030	\$ 26,258	\$ 30,663	\$ 35,629	\$ 43,419	\$ 51,893	\$ 59,406
As a Percent of Year to Date Average Loans:									
Net Charge-Offs	0.60%	0.55%	0.32%	0.24%	0.33%	0.17%	0.13%	0.11%	0.29%
Provision for Loan Losses	1.00%	0.81%	0.57%	0.45%	0.50%	0.34%	0.34%	0.30%	0.43%
Allowance for Loan Losses As a Percentage of: Loans	1.24%	1.30%	1.20%	1.11%	1.07%	1.06%	1.03%	1.06%	1.02%

# GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures



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We recorded \$3.1 million of additional tax expense as a result of revaluing our net deferred tax assets at December 31, 2017 due to lower corporate income tax rates provided by the Tax Cuts and Jobs Act passed into law in December 2017. We also recorded expenses of \$347,000 related to terminating the lease agreement on our previous headquarters building in Birmingham, Alabama and expenses of moving into our new headquarters building. We recorded expenses of \$2.1 million for the first quarter of 2015 related to the acquisition of Metro Bancshares, Inc. and the merger of Metro Bank with and into the bank, and recorded an expense of \$500,000 resulting from the initial funding of reserves for unfunded loan commitments for the first quarter of 2015, consistent with guidance provided in the Federal Reserve Bank's Interagency Policy Statement SR 06-17. The non-GAAP financial measures included in this annual report on Form 10-K results for the year ended December 31, 2017 are "core net income available to common stockholders," "core earnings per share, basic," "core earnings per share, diluted," "core return on average assets," "core return on average stockholders' equity," "core return on average common stockholders' equity" and "core efficiency ratio." Each of these seven core financial measures excludes the impact of the non-routine expense attributable to the revaluing of our net deferred tax assets, lease termination, moving expenses, expenses related to the acquisition of Metro and the initial funding of reserves for unfunded loan commitments. None of the other periods included in our selected financial data are affected by this correction and acceleration of vesting.

"Core net income available to common stockholders" is defined as net income available to common stockholders, adjusted by the net effect of the non-routine expense.

"Core diluted earnings per share" is defined as net income available to common stockholders, adjusted by the net effect of the non-routine expense, divided by weighted average diluted shares outstanding.

"Core return on average assets" is defined as net income, adjusted by the net effect of the non-routine expense, divided by average total assets.

"Core return on average common stockholders' equity" is defined as net income, adjusted by the net effect of the non-routine expense, divided by average common stockholders' equity.

"Core return of average stockholders' equity" is defined as net income, adjusted by the net effect of the non-routine expense, divided by average total stockholders' equity.

"Core efficiency ratio" is defined as non-interest expense, adjusted by the effect of the non-routine expense, divided by the sum of net interest income and non-interest income.

"Core non-interest expense" is defined as non-interest expense, adjusted by the effect of the non-routine expense.

We believe these non-GAAP financial measures provide useful information to management and investors that is supplementary to our financial condition, results of operations and cash flows computed in accordance with GAAP; however, we acknowledge that these non-GAAP financial measures have a number of limitations. As such, you should not view these disclosures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other companies, including those in our industry, use. The following reconciliation table provides a more detailed analysis of the non-GAAP financial measures for the years ended December 31, 2017 and 2015. All amounts are in thousands, except share and per share data.

# GAAP Reconciliation

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<i>Dollars in Thousands</i>	As Of and For the Period Ended December 31, 2017	As Of and For the Year Ended December 31, 2016	As Of and For the Year Ended December 31, 2015	As Of and For the Year Ended December 31, 2014
Provision for income taxes - GAAP	\$ 44,258		\$ 25,465	\$ 21,601
Adjustments:				
Adjustment for non-routine expense	-132		829	865
Core provision for income taxes - non-GAAP	\$ 44,126		\$ 26,294	\$ 22,466
Return on average assets - GAAP	1.43 %		1.38 %	1.39 %
Net income - GAAP	\$ 93,092		\$ 63,540	\$ 52,377
Adjustments:				
Adjustment for non-routine expense	3,274		1,767	1,612
Core net income - non-GAAP	\$ 96,366		\$ 65,307	\$ 53,989
Average assets	\$ 6,495,067		\$ 4,591,861	\$ 3,758,184
Core return on average assets - non-GAAP	1.48 %		1.42 %	1.44 %
Return on average common stockholders' equity - GAAP	16.37 %		15.30 %	14.43 %
Net income available to common stockholders - GAAP	\$ 93,030		\$ 63,260	\$ 51,946
Adjustments:				
Adjustment for non-routine expense	3,274		1,767	1,612
Core net income available to common stockholders - non-GAAP	\$ 96,304		\$ 65,027	\$ 53,558
Average common stockholders' equity	\$ 568,228		\$ 413,445	\$ 320,005
Core return on average common stockholders' equity - non-GAAP	16.95 %		15.73 %	16.74 %
Diluted earnings per share - GAAP	\$ 1.72		\$ 1.20	\$ 1.05
Weighted average shares outstanding, diluted - GAAP	54,161,788		52,885,108	49,636,442
Core diluted earnings per share - non-GAAP	\$ 1.78		\$ 1.23	\$ 1.08
Book value per share - GAAP	\$ 11.47	\$ 9.93	\$ 8.65	\$ 7.41
Total common stockholders' equity - GAAP	607,604	522,889	449,147	367,255
Adjustments:				
Adjusted for goodwill and other identifiable intangible assets	14,787	14,996	15,330	-
Tangible common stockholders' equity - non-GAAP	\$ 592,885	\$ 507,893	\$ 433,817	\$ 367,255
Tangible book value per share - non-GAAP	\$ 11.19	\$ 9.65	\$ 8.35	\$ 7.41
Stockholders' equity to total assets - GAAP	8.58 %	8.21 %	8.81 %	8.96 %
Total assets - GAAP	\$ 7,082,384	\$ 6,370,448	\$ 5,095,509	\$ 4,098,679
Adjustments:				
Adjusted for goodwill and other identifiable intangible assets	14,719	14,996	15,330	-
Total tangible assets - non-GAAP	\$ 7,067,665	\$ 6,355,452	\$ 5,080,179	\$ 4,098,679
Tangible common equity to total tangible assets - non-GAAP	8.39 %	7.99 %	8.54 %	8.96 %