ServisFirst Bancshares, Inc.
Form DEF 14A
March 21, 2011

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

SCHEDULE 14A

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant þ

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

þ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Under Rule 14a-12

SERVISFIRST BANCSHARES, INC.
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant

Payment of Filing Fee (Check the appropriate box):

þ No fee required

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

---

(2) Aggregate number of securities to which transaction applies:

---

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

SERVISFIRST BANCSHARES, INC.

850 Shades Creek Parkway, Suite 200
Birmingham, Alabama 35209

March 21, 2011

Dear Fellow Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of ServisFirst Bancshares, Inc. Our Annual Meeting will be held at The Club, 1 Robert F. Smith Drive, Birmingham, Alabama 35209 on Wednesday, April 20, 2011, at 5:00 p.m., Central Daylight Time. We will have a cocktail hour after the meeting.

The enclosed proxy materials describe the formal business to be transacted at the Annual Meeting, which includes a report on our operations. Many of our directors and officers will be present to answer any questions that you and other stockholders may have. Included in the materials is our Annual Report on Form 10-K, which contains detailed information concerning our activities and operating performance.

The business to be conducted at the Annual Meeting consists of the election of six directors; an advisory vote on executive compensation; and a separate vote on the frequency of future advisory votes on executive compensation. Our board of directors unanimously recommends a vote "FOR" the election of the director nominees; "FOR" the "Say on Pay" advisory vote approving our executive compensation; and "FOR" the advisory vote providing for future "Say on Pay" advisory votes to be held every year.

You may vote your shares by returning your Proxy Card in the enclosed prepaid return envelope or by voting in person at the Annual Meeting. Instructions regarding the methods of voting are contained in the Proxy Statement and on the accompanying Proxy Card.

On behalf of our board of directors, we request that you vote your shares now, even if you currently plan to attend the Annual Meeting. This will not prevent you from voting in person, but will assure that your vote is counted. Your vote is important.

Sincerely,

Thomas A. Broughton III
Director, President and Chief Executive Officer

TABLE OF CONTENTS

SERVISFIRST BANCSHARES, INC.

850 Shades Creek Parkway, Suite 200
Birmingham, Alabama 35209

NOTICE OF 2011 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON APRIL 20, 2011

To Our Stockholders:

Notice is hereby given that our Annual Meeting of Stockholders will be held at The Club, 1 Robert F. Smith Drive, Birmingham, Alabama 35209 on Wednesday, April 20, 2011, at 5:00 p.m., Central Daylight Time, for the following purposes:

1. To elect six nominees to serve on our board of directors until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified, as set forth in the accompanying Proxy Statement;

2. To conduct a “Say on Pay” advisory vote on our executive compensation;

3. To conduct an advisory vote on the frequency of future “Say on Pay” advisory votes; and

4. To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

Our board of directors is not aware of any other business to come before the Annual Meeting.

Stockholders of record as of the close of business on March 9, 2011 are entitled to notice of and to vote their shares in person or by proxy at the Annual Meeting.

YOUR VOTE IS IMPORTANT

IT IS IMPORTANT THAT YOU RETURN YOUR PROXY CARD. THEREFORE, WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING IN PERSON, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS SOON AS POSSIBLE IN THE ENCLOSED RETURN ENVELOPE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES. STOCKHOLDERS WHO EXECUTE A PROXY CARD MAY NEVERTHELESS ATTEND THE ANNUAL MEETING, REVOKE THEIR PROXY AND VOTE THEIR SHARES IN PERSON.

By Order of the Board of Directors,

William M. Foshee
Secretary and Chief Financial Officer

Birmingham, Alabama
March 21, 2011

2011 ANNUAL MEETING OF STOCKHOLDERS
OF
SERVISFIRST BANCSHARES, INC.

PROXY STATEMENT

Our board of directors solicits the accompanying proxy for use at our Annual Meeting of Stockholders to be held on Wednesday, April 20, 2011, at 5:00 p.m., Central Daylight Time, at The Club, 1 Robert F. Smith Drive, Birmingham, Alabama 35209. This notice of annual meeting of stockholders, Proxy Statement and Proxy Card are being mailed on or about March 21, 2011 to our stockholders of record as of March 9, 2011, the record date for the Annual Meeting.

Our corporate headquarters is located at 850 Shades Creek Parkway, Suite 200, Birmingham, Alabama 35209 and our toll free telephone number is (866) 317-0810.

Throughout this Proxy Statement, unless the context indicates otherwise, when we use the terms “the Company”, “we,” “our” or “us,” we are referring to ServisFirst Bancshares, Inc. and its wholly owned subsidiary, ServisFirst Bank (the “Bank”). When we use the term “Annual Meeting”, we intend to include both the Annual Meeting to be held on the date and at the time and place identified above and any adjournment or postponement of such Annual Meeting.

ABOUT THE ANNUAL MEETING

What are the purposes of the Annual Meeting?

At the Annual Meeting, stockholders will vote on: (i) the election of six directors, as more fully described in Proposal 1 below; (ii) an advisory vote on our executive compensation; (iiii) an advisory vote on the frequency of future advisory votes on our executive compensation; and (iv) such other business as may properly come before the Annual Meeting. Our board of directors is not aware of any matters that will be brought before the Annual Meeting, other than procedural matters, that are not listed above. However, if any other matters properly come before the Annual Meeting, the individuals named on the Proxy Card, or their substitutes, will be authorized to vote on those matters in their own judgment.

Who is entitled to vote?

Only stockholders of record at the close of business on the record date, March 9, 2011, are entitled to receive notice of the Annual Meeting and to vote shares of common stock held as of the record date at the Annual Meeting. Each outstanding share of common stock entitles its holder to cast one vote on each matter to be voted upon. There are no cumulative voting rights.

If you did not receive an individual copy of this year’s Proxy Statement or our Annual Report, we will send a copy to you if you send a written request to our Secretary, William M. Foshee, 850 Shades Creek Parkway, Suite 200, Birmingham, Alabama 35209, telephone (205) 949-0307.

What is a proxy?

It is your legal designation of another person to vote the stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document is called a proxy or a Proxy Card. We have designated Thomas A. Broughton III and William M. Foshee (the "Management Proxies") as proxies for the 2011 Annual Meeting of Stockholders.

What is a Proxy Statement?

It is a document that SEC regulations require us to give you when we ask you to sign a Proxy Card designating the Management Proxies as proxies to vote on your behalf.

What constitutes a quorum?

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the shares entitled to vote at the Annual Meeting will constitute a quorum. As of the record date, 5,527,482 shares of our common stock, $.001 par value per share, held by 1,074 stockholders of record, were issued and outstanding. Proxies received but marked as abstentions will be included in the calculation of the number of shares considered to be present at the Annual Meeting.

What vote is required to approve each item?

Directors are elected by a plurality of the votes cast. Any other matter that may properly come before the Annual Meeting must be approved by the affirmative vote of a majority of the shares entitled to vote that are present or represented by proxy at the Annual Meeting.

Under the General Corporation Law of the State of Delaware (referred to as "Delaware law" in this Proxy Statement), an abstention from voting on any proposal will have the same legal effect as an "against" vote, except election of directors, where an abstention has no effect under plurality voting.

How do I vote by proxy?

On or about March 21, 2011, we mailed this Proxy Statement, the accompanying Proxy Card, and our Annual Report to Stockholders for the year ended December 31, 2010 to all stockholders of record as of the record date. You may vote by completing and returning your completed and signed Proxy Card by mail or by voting in person at the Annual Meeting. To vote by mail, sign and date each Proxy Card you receive, mark the boxes indicating how you wish to vote, and return the Proxy Card, which will be voted as you directed, in the enclosed prepaid return envelope.

Can I change my vote after I return my Proxy Card?

Yes. You can change or revoke your proxy at any time before the Annual Meeting by (i) notifying our Secretary, William M. Foshee, in writing or (ii) sending another executed proxy dated later than the first Proxy Card. Attendance at the Annual Meeting will not revoke any proxy you have previously granted unless you specifically so request. For shares you own beneficially, but of which you are not the record holder, you may accomplish this by submitting new voting instructions to your broker or nominee.

Can I vote in person at the Annual Meeting instead of voting by proxy?

Yes. However, we encourage you to vote by proxy to ensure that your shares are represented and voted. If you attend the Annual Meeting in person, you may then vote in person even though you returned your Proxy Card.

What are the Board's recommendations?

Our board of directors unanimously recommends that stockholders vote in favor of: (i) the election of the six nominees for the board of directors, as more fully described in Proposal 1 below; (ii) an advisory vote approving our executive compensation, as more fully described in Proposal 2 below; and (iii) an advisory vote in favor of holding future “Say on Pay” advisory votes every year, as more fully described in Proposal 3 below.

If your Proxy Card is properly executed and received in time for voting, and not revoked, your shares will be voted in accordance with your instructions marked on the Proxy Card. In the absence of any instructions or directions to the contrary, the Management Proxies will vote all shares of common stock for which Proxy Cards have been received in favor of the approval of the above proposals.

Our board of directors does not know of any other matters other than the above proposals that may be brought before the Annual Meeting. If any other matters should come before the Annual Meeting, the Management Proxies will have discretionary authority to vote all proxies not marked to the contrary with respect to such matters in accordance with their best judgment.

In particular, the Management Proxies will have discretionary authority to vote with respect to the following matters that may come before the Annual Meeting: (i) approval of the minutes of the prior meeting if such approval does not amount to ratification of the action or actions taken at that meeting; (ii) any proposal omitted from the Proxy Statement and form of proxy pursuant to Rules 14a-8 and 14a-9 under the Securities Exchange Act of 1934 (the “Exchange Act”); and (iii) matters incident to the conduct of the Annual Meeting. In connection with such matters, the Management Proxies will vote in accordance with their best judgment.

Who pays for this proxy solicitation?

We do. We will pay all costs in connection with the meeting, including the cost of preparing, assembling and mailing the notice of the Annual Meeting, Proxy Statement and Proxy Card, as well as handling and tabulating the proxies returned. In addition to the use of mail, proxies may be solicited by directors, officers and regular employees of the Company, without additional compensation, in person or by other electronic means. We will reimburse brokerage houses and other nominees for their expenses in forwarding proxy material to beneficial owners of our common stock.

Who can help answer your questions?

If you have questions about the Annual Meeting or would like additional copies of this Proxy Statement, you should contact our Secretary, William M. Foshee, 850 Shades Creek Parkway, Suite 200, Birmingham, Alabama 35209, telephone (205) 949-0307.

Annual Report on Form 10-K

On written request, we will provide, without charge, a copy of our Annual Report on Form 10-K for the year ended December 31, 2010 (including a list briefly describing the exhibits thereto), as filed with the Securities and Exchange Commission (the “SEC”) (including any amendments filed with the SEC), to any record holder or beneficial owner of our common stock on March 9, 2011, the record date, or to any person who subsequently becomes such a record holder or beneficial owner. Requests should be directed to the attention of our Secretary at the address set forth above.

PROPOSAL 1

ELECTION OF DIRECTORS

Under our Bylaws, our board of directors consists of six directors unless a different number is fixed from time to time by resolution passed by a majority of our board of directors, which is the only means of fixing a different number. Six directors will be elected at the Annual Meeting to hold office until our 2012 Annual Meeting of Stockholders and until their successors are elected and have qualified.

Our board has nominated the persons named below, all of whom currently serve as directors, for election as directors at the 2011 Annual Meeting. Each of those nominees has consented to serve as a director, if re-elected. Unless otherwise instructed, the Management Proxies intend to vote the proxies received by them for the election of all six of these nominees. If any nominee identified below becomes unable to serve as a director before the Annual Meeting, the Management Proxies will vote the proxies received by them for the election of a substitute nominee selected by our board of directors.

Vote Required and Recommendation of the Board of Directors

The six nominees receiving the most votes cast in the election of directors by holders of shares of common stock present or represented by proxy and entitled to vote at the Annual Meeting will be elected to serve as directors of the Company for the next year. As a result, although shares as to which the authority to vote is withheld, will be counted, such "withhold" votes will have no effect on the outcome of the election of directors.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES NAMED BELOW.

Information regarding directors and director nominees and their ages as of the record date is as follows:

		ServisFirst Bancshares, Inc.		ServisFirst Bank	
Name	Age	Director Since	Position	Director Since	Position
Thomas A. Broughton III	55	2007	President, Chief Executive Officer and Director	2005	President, Chief Executive Officer and Director
Stanley M. Brock	60	2007	Chairman of the Board	2005	Chairman of the Board
Michael D. Fuller	57	2007	Director	2005	Director
James J. Filler	67	2007	Director	2005	Director
J. Richard Cashio	53	2007	Director	2005	Director
Hatton C. V. Smith	60	2007	Director	2005	Director

The following summarizes the business experience and background of each of our nominees.

Thomas A. Broughton III – Mr. Broughton has served as our President and Chief Executive Officer and a director since 2007 and as President, Chief Executive Officer and a director of the Bank since its inception in May 2005. Mr. Broughton has spent the entirety of his 30-year banking career in the Birmingham area. In 1985, Mr. Broughton was named President of the de novo First Commercial Bank. When First Commercial Bank was bought by Synovus Financial Corp. in 1992, Mr. Broughton continued as President and was named Chief Executive Officer of First Commercial Bank. In 1998, he became Regional Chief Executive Officer of Synovus Financial Corp., responsible for the Alabama and Florida markets. In 2001, Mr. Broughton's Synovus region shifted, and he became Regional Chief Executive Officer for the markets of Alabama, Tennessee and parts of Georgia. He continued his work in this position until his retirement from Synovus in August 2004. Mr. Broughton's experience in banking has afforded him opportunities to work in many areas of banking and has given him exposure to all bank functions. Mr. Broughton served on the Board of Directors of Cavalier Homes, Inc. from 1986 until 2009, when the company was sold to a subsidiary of Berkshire Hathaway. We believe that Mr. Broughton's extensive experience in banking in Alabama and the Southeast, and in particular his success in building and growing new banks and developing new markets, makes him highly qualified to serve as a director.

Stanley M. Brock – Mr. Brock has served as our Chairman of the Board since 2007 and has served as Chairman of the Board of the Bank since its inception in May 2005. He has served as President of Brock Investment Company, Ltd., a private venture capital firm, since its formation in 1995. Prior to 1995, Mr. Brock practiced corporate law for 20 years with one of the largest law firms based in Birmingham, Alabama. Mr. Brock also served as a director of Compass Bancshares, Inc., a publicly traded bank holding company, from 1992 to 1995. We believe that Mr. Brock's experience as a corporate lawyer and a bank holding company director, as well as his history of community involvement in our largest market, makes him highly qualified to serve as a director.

J. Richard Cashio – Mr. Cashio has served as a director since 2007 and as a director of the Bank since its inception in May 2005. Mr. Cashio serves as Chief Executive Officer of TASSCO, LLC and served as the Chief Executive Officer of Tricon Metals & Services, Inc. from 2000 until its sale in October 2008. He served in various other positions with Tricon Metals & Services, Inc. prior to 2000. We believe that Mr. Cashio's perspectives as the chief executive officer of successful industrial enterprises allows him to offer our board both the benefit of his business experience and the perspectives of one of our target customer groups, making him highly qualified to serve as a director.

James J. Filler – Mr. Filler has served as a director since 2007 and as a director of the Bank since its inception in May 2005. Mr. Filler has been a private investor since his retirement in 2006. Prior to his retirement, Mr. Filler spent 44 years in the metals recycling industry with Jefferson Iron & Metal, Inc. and Jefferson Iron & Metal Brokerage Co., Inc. We believe that Mr. Filler's extensive business experience and strong ties to the Birmingham business community offer us valuable strategic insights and make him highly qualified to serve as a director.

Michael D. Fuller – Mr. Fuller has served as a director since 2007 and as a director of the Bank since its inception in May 2005. For over 20 years, Mr. Fuller has been a private investor in real estate investments. Prior to that time, Mr. Fuller played professional football for nine years. Mr. Fuller has served as President of Double Oak Water Reclamation, a private collection and wastewater treatment facility in Shelby County, Alabama since 1998. We believe that Mr. Fuller's experience in the real estate sector, which is a major focus of our business, as well as his overall business experience and community presence, makes him highly qualified to serve as a director.

Hatton C. V. Smith – Mr. Smith has served as a director since 2007 and as a director of the Bank since its inception in May 2005. Mr. Smith has served as the CEO of Royal Cup Coffee since 1996 and various other positions with Royal Cup Coffee prior to 1996. He is involved in many different charities and is a director of the United Way and the Baptist Health System. We believe that Mr. Smith's business experience, his strong roots in the greater Birmingham business and civic community, and his high profile and extensive community contacts make him highly qualified to be a director.

THE ROLE OF THE BOARD OF DIRECTORS

General

In accordance with our Bylaws and Delaware law, our board of directors oversees the management of the business and affairs of the Company. The members of our board also are members of the board of directors of our wholly-owned subsidiary Alabama state-chartered bank, ServisFirst Bank, which accounts for substantially all of the Company's consolidated operating results. The members of our board keep informed about our business through discussions with senior management and other officers and managers of the Company and its subsidiaries, including the Bank, by reviewing analyses and reports sent to them by management and outside consultants, and by participating in board and in board committee meetings.

Board Leadership Structure

We believe that our stockholders are best served by a strong, independent board of directors with extensive business experience and strong ties to our markets. We believe that objective oversight of the performance of our management team is critical to effective corporate governance, and we believe our board provides such objective oversight.

Since our inception, we have kept separate the offices of chairman of the board and chief executive officer, and an independent director has held the position of chairman of the board. We believe that this provides us with the benefit of complementary perspectives and ensures that our board's oversight function remains fully objective. Although we do not have a fixed policy requiring the separation of such offices, instead believing that it is appropriate for our board to determine the structure that best meets our needs from time to time, it is our current intention to retain the present structure for the foreseeable future.

In addition, our three standing committees, which are described below under "Committees of the Board of Directors", are composed exclusively of independent directors. We believe that this structure further reinforces the board's role as an objective overseer of our business, operations and day-to-day management.

The Board's Role in Risk Oversight

Our board is ultimately responsible for the management of risks inherent in our business. In our day-to-day operations, senior management is responsible for instituting risk management practices that are consistent with our overall business strategy and risk tolerance. In addition, because our operations are conducted primarily through our wholly owned subsidiary bank, we maintain an asset-liability and investment committee at the Bank level, consisting of four executive officers of the Bank. This committee is charged with monitoring our liquidity and funds position. The committee regularly reviews the rate sensitivity position on a three-month, six-month and one-year time horizon; loans-to-deposits ratios; and average maturities for certain categories of liabilities. This committee reports to our board of directors at least quarterly, and otherwise as needed. Outside of formal meetings, our board and its committees have regular access to senior executives, including our chief executive officer, chief operating officer and chief financial officer, as well as our senior credit officers. We believe that this structure allows the board to maintain effective oversight over our risks and ensure that our management personnel are following prudent and appropriate risk management practices.

COMMITTEES OF THE BOARD OF DIRECTORS

Our board maintains three standing committees: Audit, Compensation, and Nominating and Corporate Governance. The governing charter for each of the three committees is available on our website under the "Committee Charters" heading.

Audit Committee

The Audit Committee assists our board of directors in maintaining the integrity of our financial statements and of our financial reporting processes and systems of internal audit controls, as well as our compliance with legal and regulatory requirements. The Audit Committee reviews the scope of independent audits and assesses the results. The Audit Committee meets with management to consider the adequacy of the internal control over, and the objectivity of, financial reporting. The Audit Committee also meets with our independent auditors and with appropriate financial personnel concerning these matters. The Audit Committee selects, determines the compensation of, appoints and oversees our independent auditors. The independent auditors periodically meet with the Audit Committee and always have unrestricted access to the Audit Committee. The Audit Committee, which currently consists of Michael D. Fuller, J. Richard Cashio and Stanley M. Brock, met six times in 2010. Our board of directors has determined that each of Messrs. Fuller, Cashio, and Brock is independent under the standards of independence of the Marketplace Rules of the NASDAQ Stock Market and Rule 10A-3 under the Exchange Act. We have not designated any of our Audit Committee members as an "audit committee financial expert," as such term is defined under Item 407 of Regulation S-K. While we believe that each of our Audit Committee members have had careers which provide them with the skills to understand financial statements and are competent to serve as members of the Audit Committee, none of the current members has the financial background or education which we believe unequivocally allows us to make such a designation, and our board of directors does not believe that designating a member of the Audit Committee as an "audit committee financial expert" is necessary at this time.

Compensation Committee

The Compensation Committee administers incentive compensation plans, including stock option plans, and advises our board of directors regarding employee benefit plans. The Compensation Committee establishes the compensation structure for our senior management, approves the compensation of our senior executives, and makes recommendations to the independent members of our board of directors with respect to compensation of the Chief Executive Officer and all other executive officers of the Company. The Compensation Committee, which currently consists of Hatton C.V. Smith, J. Richard Cashio and James J. Filler, met three times in 2010. Our board of directors has determined that each of Messrs. Smith, Cashio and Filler is independent under the standards of independence of the Marketplace Rules of the NASDAQ Stock Market and Rule 10A-3 under the Exchange Act and an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986.

In January 2008, the Compensation Committee retained an outside consultant, Clark Consulting, to advise it regarding our compensation practices. Clark Consulting provided us with a report dated January 2008 (the "Clark Report") which compared the compensation paid to our president and chief executive officer in 2007 versus a peer group which included Pinnacle Financial Partners, Inc. (Nashville, Tennessee), FNB United Corp. (Asheboro, North Carolina), Great Florida Bank (Coral Gables, Florida), Capital Bank Corporation (Raleigh, North Carolina), Bancorp, Inc. (Wilmington, Delaware), Gateway Financial Holding, Inc. (Virginia Beach, Virginia), Integrity Bancshares, Inc. (Alpharetta, Georgia), Bank of Florida Corporation (Naples, Florida), Commonwealth Bankshares, Inc. (Norfolk, Virginia), Omni Financial Services, Inc. (Atlanta, Georgia), Crescent Financial Corporation (Cary, North Carolina), Patriot National Bancorp, Inc. (Stamford, Connecticut), Tennessee Commerce Bancorp (Franklin, Tennessee), Southern First Bancshares, Inc. (Greenville, South Carolina) and Sun American Bancorp (Boca Raton, Florida). The Clark Report concludes that while we were, at the time of the report, in the top 40% in most performance measures and the top 5% for asset growth, the base salary of our president and CEO was in the bottom 12% and his total compensation is in the bottom 30% versus such peer group.

Since the 2008 engagement of Clark Consulting, we have not retained a compensation consultant to advise the Compensation Committee, the full board or any members of management with respect to our compensation practices. Instead, the Compensation Committee independently determines the appropriate levels of compensation for executive officers and directors taking into account, among other factors, the performance of such individuals, our financial performance, stockholder return and efforts and undertakings and initiatives to build stockholder value.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee functions include establishing the criteria for selecting candidates for nomination to our board; actively seeking candidates who meet those criteria; and making recommendations to our board of directors to fill vacancies on, or as additions to, our board and to monitor the Company's corporate governance structure. The Nominating and Corporate Governance Committee, which currently consists of Michael D. Fuller, J. Richard Cashio and Stanley M. Brock, did not meet in 2010. Our board of directors has determined that each of Messrs. Fuller, Cashio and Brock is independent under the standards of independence of the Marketplace Rules of the NASDAQ Stock Market and Rule 10A-3 of the Exchange Act and an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986.

The Nominating and Corporate Governance Committee seeks director candidates based upon a number of criteria, including their independence, knowledge, judgment, character, leadership skills, education, experience and financial literacy and, for nominees standing for re-election, their prior performance as a director. The Committee does not assign relative weights to these factors, but attempts to form an overall judgment as to each individual nominee. The Committee will consider nominees for election to our board that are timely recommended by stockholders provided that a complete description of the nominees' qualifications, experience and background, together with a statement signed by each nominee in which he or she consents to act as such, accompany the recommendations.

In evaluating nominees for director, the Nominating and Corporate Governance Committee believes that, at this stage of the Company's existence, it is of primary importance to ensure that the composition of the board reflects a diversity of business experience and community leadership, as well as a demonstrated ability to promote the Company's strategic objectives and expand its presence, profile and customer base in its local markets. Accordingly, while the Committee may consider other types of diversity in evaluating nominees, the Committee does not follow any specific formula for considering factors such as race, gender or national origin in evaluating nominees and potential nominees, nor does it apply any quotas with respect to such factors.

Committee Membership

The following chart provides a summary of our board committee membership for fiscal year ended December 31, 2010.

	Committee Membership		
Names	Nominating and Corporate Governance	Audit	Compensation
Thomas A. Broughton III			
Stanley M. Brock	X	X	
Michael D. Fuller	X	X	
James J. Filler			X

J. Richard Cashio	X	X	X
Hatton C.V. Smith			X

Advisory Boards

In addition to the boards of directors of the Company and the Bank, which are identical in composition, the Bank also has a non-voting advisory board of directors in each of the Huntsville, Montgomery and Dothan markets. These advisory directors represent a wide array of business experience and community involvement in the service areas where they live. As residents of our primary service areas, they are sensitive and responsive to the needs of our customers and potential customers. In addition, our directors and advisory directors bring substantial business and banking contacts to us. The Bank has established the following regional advisory boards:

Huntsville Region:

E. Wayne Bonner
Hoyt A. "Tres" Childs, III, MD
Donald J. Davidson
David J. Slyman, Jr.
Irma Tuder
Danny J. Windham
Sidney R. White
William (Bill) B. Watson, Jr.
Thomas J. Young

Montgomery Region:

Ray B. Petty
Todd Strange
G.L. Pete Taylor
W. Ken Upchurch, III
Alan E. Weil, Jr.

Dothan Region:

Charles H. Chapman III
William C. (Bill) Thompson
John Downs
Charles E. Owens

INDEPENDENCE OF THE BOARD OF DIRECTORS

Our common stock is not listed on any exchange, and we have no current plans to list our common stock on any exchange; therefore, the Exchange Act requires that we select an exchange's director independence requirements with which to comply. We have selected the director independence requirements of The NASDAQ Global Market. Our Nominating and Corporate Governance Committee has conducted and will in the future conduct, as deemed necessary, a review of director independence utilizing the listing standards of The NASDAQ Global Market. During this review, our board considered transactions and relationships between each director or any member of his immediate family and us and the Bank. Our board also considered whether there were any transactions or relationships between directors or with any member of their immediate family (or any entity of which a director or an immediate family member is an executive officer, general partner or significant equity holder). The purpose of this review was to determine whether any such relationships or transactions existed that were inconsistent with a determination that a director is independent. Independent directors must be free of any relationship with us or our management that may impair the director's ability to make independent judgments.

Our Nominating and Corporate Governance Committee has determined in its business judgment that five of the Company's six Directors are independent as defined in the applicable NASDAQ Global Market listing standards, including that each member is free of any relationships that would interfere with his individual exercise of independent judgment. Our independent directors are Messrs. Brock, Cashio, Filler, Fuller and Smith.

Mr. Broughton is considered an inside director because of his employment as our President and Chief Executive Officer.

COMMUNICATIONS WITH DIRECTORS

You may contact any of our independent directors, individually or as a group, by writing to them c/o William M. Foshee, Chief Financial Officer, ServisFirst Bancshares, Inc., 850 Shades Creek Parkway, Suite 200, Birmingham, Alabama 35209. Mr. Foshee will review and forward to the appropriate directors copies of all such correspondence that, in the opinion of Mr. Foshee, deals with the functions of the board of directors or its committees or that he otherwise determines requires their attention. Concerns relating to accounting, internal controls or auditing matters will be brought promptly to the attention of the Chairman of the Audit Committee and will be handled in accordance with procedures established by the Audit Committee.

CORPORATE GOVERNANCE GUIDELINES

Our board of directors believes that sound governance practices and policies provide an important framework to assist them in fulfilling their oversight duty. In December 2007, our board formally adopted the Corporate Governance Guidelines of ServisFirst Bancshares, Inc. (the “Governance Guidelines”), which include a number of the practices and policies under which our board has operated for some time, together with concepts suggested by various authorities in corporate governance and the requirements under the NASDAQ’s listed company rules and the Sarbanes-Oxley Act of 2002. Some of the principal subjects covered by our Governance Guidelines include:

- Director Qualifications, which include a board candidate's independence, experience, knowledge, skills, expertise, integrity, ability to make independent analytical inquiries; his or her understanding of our business and the business environment in which we operate; and the candidate's ability and willingness to devote adequate time and effort to board responsibilities, taking into account the candidate's employment and other board commitments.
- Responsibilities of Directors, including acting in the best interests of all stockholders; maintaining independence; developing and maintaining a sound understanding of our business and the industry in which we operate; preparing for and attending board and board committee meetings; and providing active, objective and constructive participation at those meetings.
- Director Access to management and, as necessary and appropriate, independent advisors, including encouraging presentations to our board from the officers responsible for functional areas of our business and from outside consultants who are engaged to conduct periodic reviews of various aspects of our operations or the quality of certain of our assets, such as the loan portfolio.
- Director Orientation and Continuing Education, including programs to familiarize new directors with our business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, code of business conduct and corporate governance guidelines. In addition, each director is expected to participate in continuing education programs relating to developments in our business and in corporate governance.
- Regularly Scheduled Executive Sessions, without management, will be held by our board and by the Audit Committee, which meets separately with our outside auditors.

CODE OF BUSINESS CONDUCT

Our board of directors has adopted a Code of Ethics that applies to all of our employees, officers and directors. The Code of Ethics covers compliance with law; fair and honest dealings with us, with competitors and with others; fair and honest disclosure to the public; and procedures for compliance with the Code of Ethics. A copy of our Code of Ethics is available free of charge on our website at www.servisfirstbancshares.com.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The primary functions of the Compensation Committee are to evaluate and administer the compensation of our president and chief executive officer and other executive officers and to review our general compensation programs. As of December 31, 2010, and currently, the members of this committee are Hatton C. V. Smith, J. Richard Cashio and James J. Filler. No member of this committee has served as an officer or employee of ServisFirst Bancshares, Inc. or any subsidiary. In addition, none of our executive officers has served as a director or as a member of the compensation committee of a company which employs any of our directors.

DIRECTOR COMPENSATION

The following table sets forth information regarding the compensation of our non-employee directors for the year ended December 31, 2010. Thomas A. Broughton III is a named executive officer, and his compensation is reflected in the Summary Compensation Table.

Name	Fees earned or paid in cash ($)	Stock Awards ($)	Total ($)
Stanley M. Brock, Chairman of the Board	21,500	—	21,500
Michael D. Fuller	22,000	—	22,000
James J. Filler	16,500	—	16,500
J. Richard Cashio	19,320	—	19,320
Hatton C. V. Smith	16,500	—	16,500

MEETINGS OF THE BOARD OF DIRECTORS

Our board of directors held 12meetings in 2010. Each director attended more than 75% of the aggregate of: (i) the number of meetings of the board of directors held during the period he served on the board; and (ii) the number of meetings of committees of the board of directors held during the period he served on such committees.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE ELECTION OF EACH OF THE NOMINEES NAMED IN PROPOSAL 1.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We have not entered into any business transactions with related parties required to be disclosed under Rule 404(a) of Regulation S-K other than banking transactions in our ordinary course of business with our directors and officers, as well as members of their families and corporations, partnerships or other organizations in which they have a controlling interest. Management recognizes that related party transactions can present unique risks and potential conflicts of interest (in appearance and in fact). Therefore, we maintain written policies around interactions with related parties which require that these transactions are on the following terms:

- In the case of banking transactions, each is on substantially the same terms, including price or interest rate, collateral and fees, as those prevailing at the time for comparable transactions with unrelated parties, and is expected to involve more than the normal risk of collectability or present other unfavorable features to the Bank; and

- In the case of any related party transactions, including banking transactions, each transaction is approved by a majority of the directors who do not have an interest in the transaction.

The aggregate amount of indebtedness from directors and executive officers (including their affiliates) to the Bank as of December 31, 2010, including extensions of credit or overdrafts, endorsements and guarantees outstanding on such date, was approximately $6,825,000, which equaled 4.09% of our total equity capital as of that date. Less than 1% of these loans were installment loans to individuals. These loans are secured by real estate and other suitable collateral to the same extent, including loan to value ratios, as loans to similarly situated unaffiliated borrowers. We anticipate making related party loans in the future to the same extent as we have in the past.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file with the SEC, initial reports of ownership and reports of changes in ownership of common stock and other equity securities. Executive officers, directors and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file. Based solely upon information made available to us, we believe that each filing required to be made pursuant to Section 16(a) was timely filed by our executive officers and directors and the beneficial owners of more than 10% of our common stock, except that a stock option grant to William M. Foshee, our Executive Vice President and Chief Financial Officer, in February 2010 covering 5,000 shares of common stock was not timely reported due to an inadvertent error. Mr. Foshee timely filed a Form 5 reflecting such award.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

Our compensation process is designed to address both annual and longer-term corporate objectives. We have been in a period of accelerated growth and change in recent years, and our compensation processes have been designed to permit us to attract and retain highly skilled executive and management staff in our competitive market place. This Compensation Discussion and Analysis describes our compensation program for our “named executive officers”, who are Thomas A. Broughton III, William M. Foshee, Clarence C. Pouncey III, Ronald A. DeVane and G. Carlton Barker.

Since November 2007, when we completed our reorganization in which we acquired the Bank, we have been a bank holding company. We conduct most of our operations through the Bank, which is our wholly owned subsidiary. Our board of directors and the board of directors of the Bank consist of the same individuals. At the holding company level, we have three named executive officers, each of whom also holds the same position with the Bank. These officers are Thomas A. Broughton III, President and Chief Executive Officer, Clarence C. Pouncey III, Executive Vice President and Chief Operating Officer, and William M. Foshee, Executive Vice President and Chief Financial Officer. All of such officers remain employees of the Bank for payroll and tax purposes.

The board of directors of the Bank has a compensation committee. At the time we became a bank holding company, our board of directors appointed a separate compensation committee (the “Compensation Committee”, as discussed above), consisting of the same individuals as the compensation committee of the Bank, with the authority to determine the compensation of our Chief Executive Officer and, either independently or with other independent directors of the board, the compensation of our other executive officers, and to further administer any stock incentive plans. Because our officers, including Mr. Broughton, Mr. Foshee and Mr. Pouncey, remain employees of the Bank for payroll and tax purposes, their compensation is set by the compensation committee of the Bank, as a technical matter. However, such compensation is then approved by the board of directors of the Bank and by our board of directors. Because both compensation committees consist of the same persons, as do both board of directors, references herein to "our" or "the" Compensation Committee will be deemed to refer to our Compensation Committee and/or the Bank's compensation committee, as applicable.

Compensation Philosophy and Objectives

In order to recruit and retain the most qualified and competent individuals as executive officers, we strive to maintain a compensation program that is competitive in our market. Our Compensation Committee believes that the most effective executive compensation program is one that is designed to reward the achievement of specific annual, long-term and strategic goals by us and the Bank, and which aligns executives' interests with those of our stockholders by rewarding performance, with the ultimate objective of improving stockholder value. The Compensation Committee evaluates both performance and compensation to ensure that we maintain our ability to attract and retain superior employees in key positions and that compensation provided to the named executive officers and other officers remains competitive relative to the compensation paid to similarly situated executives of our peers. Our Compensation Committee has not yet designated a specific peer group for this purpose, but relies on general information about similarly sized banks and bank holding companies in similar markets.

The Compensation Committee believes that executive compensation packages should include cash, annual short-term cash incentives and long-term equity based incentives that reward performance as measured against established goals. These goals may include any number of criteria, may be unique to the particular executive officer based upon his or her duties, and may include, among others, criteria based upon our net income, our asset growth, our loan growth, such executive officer's personal production and our efficiency and asset quality. Additionally, the Compensation Committee believes that we should offer competitive benefit plans, including health insurance and a 401(k) plan. We have also entered into change in control agreements in particular circumstances where we believe it is important to ensure the retention of certain key executives during the critical period immediately preceding a change in control, if and when applicable.

The fundamental purpose of our executive compensation program is to assist us in achieving our financial and operating performance objectives. Specifically, our compensation program has three basic objectives:

- To attract, retain and motivate our executive officers, including our named executive officers;
- To reward executives upon the achievement of measurable corporate, business unit and individual performance goals; and
- To align each executive's interests with the creation of stockholder value.

Elements of our Compensation Program

Base salary: This element is intended to directly reflect an executive's job responsibilities and his or her value to us. We also use this element to attract and retain our executives and, to some extent, acknowledge each executive's individual efforts in furthering our strategic goals.

Annual short-term cash incentives: This annual cash incentive is one of the performance-based elements of our compensation. It is intended to motivate our executives and to provide a current or immediate reward for short-term (annual) measurable performance.

Equity-based incentives: The grant of stock options and/or other equity-based incentive compensation is the most important method we use to align the interests of our named executive officers with the interests of our stockholders, which is another element of performance-based compensation.

Perquisites and benefits: These benefits and plans are intended to attract and retain qualified executives, by ensuring that our compensation program is competitive and provides an adequate opportunity for retirement savings. We believe that, to a limited degree, these programs tend to reward long-term service or loyalty to us.

Change in control agreements: These agreements, or comparable provisions in an employment or similar agreement, provide a form of severance payable in the event we are the subject of a change in control. They are primarily intended to align the interests of our executives with our stockholders by providing for a secure financial transition in the event of termination in connection with a change in control.

General Compensation Policies

To reward both short- and long-term performance in the compensation program and in furtherance of our compensation objectives noted above, our executive officer compensation philosophy includes the following principles:

Compensation should be related to performance. The Compensation Committee believes that a significant portion of an executive officer's compensation should be tied not only to individual performance, but also the Company's performance measured against both financial and non-financial goals and objectives.

Incentive compensation should represent a portion of an executive officer's total compensation. The Compensation Committee is committed to providing competitive compensation that reflects our performance and that of the individual officer or employee.

Compensation levels should be competitive. The Compensation Committee reviews available data to ensure that our compensation is competitive with that provided by other comparable companies. The Compensation Committee believes that competitive compensation enhances our ability to attract and retain executive officers.

Incentive compensation should balance short-term and long-term performance. The Compensation Committee seeks to achieve a balance between encouraging strong short-term annual results and ensuring our long-term viability and success. To reinforce the importance of balancing these perspectives, executive officers will be provided both short- and long-term incentives. Prior to 2009, we provided our executive officers, non-employee directors and employees with the means to become stockholders and to share accretion in value with our external stockholders through our 2005 Amended and Restated Stock Incentive Plan. In 2009, we continued that process through the adoption and approval by our stockholders of our 2009 Stock Incentive Plan.

The Compensation Committee does not use a specific formula to determine the amount allocated to each element of compensation. Instead, the Compensation Committee evaluates the total compensation paid to each executive and makes individual compensation decisions as to the mixture between base salary, annual short-term cash incentives and equity-based incentives. To date, in determining the amount or mixture of compensation to be paid to any executive, the Compensation Committee has not considered any severance payment to be paid under an employment agreement or change-in-control agreement or any equity-based incentives previously awarded. Further, the Compensation Committee has not adopted any specific stock ownership or holding guidelines that would affect such determinations.

For fiscal year 2010, an average of 31.5% of our named executive officers' compensation was in annual short-term cash incentives and an average of 2.0% of our named executive officers' compensation was in long-term equity-based incentives, or stock options. The following table illustrates the percentage of each named executive officer's total compensation, as reported in the "Summary Compensation Table" below, related to base salary, annual short-term cash incentives and long-term equity-based incentives:

	Percentage of Total Compensation (Fiscal Year 2010)			
Named Executive Officer	Annual Base Salary	Annual Short-Term Cash Incentives	Equity-Based Incentives	Perquisites and Benefits
Thomas A. Broughton III, Principal Executive Officer ("PEO")	58.0 %	29.0 %	—	13.0 %
William M. Foshee, Principal Financial Officer ("PFO")	56.8 %	28.4 %	11.7 %	3.0 %

Clarence C. Pouncey III	62.5 %	31.3 %	—	6.2 %
G. Carlton Barker	57.1 %	34.3 %	—	8.6 %
Ronald A. DeVane	57.8 %	34.7 %	—	7.5 %

Chief Executive Officer Compensation

The compensation of Thomas A. Broughton III, our President and Chief Executive Officer, is discussed throughout the following paragraphs. The Compensation Committee establishes Mr. Broughton’s compensation package each year with the intent of providing compensation designed to retain Mr. Broughton’s services and motivate him to perform to the best of his abilities. Mr. Broughton’s 2010 base salary and incentive compensation reflects the Committee’s and our board’s determination of the total compensation package necessary to meet this objective.

Annual Base Salary

The Compensation Committee endeavors to establish base salary levels for executives that are consistent and competitive with those provided for similarly situated executives of other similar financial institutions, taking into account each executive's areas and level of responsibility. To date, the Compensation Committee has not designated a specific peer group for its use.

For the year ended December 31, 2010, the Compensation Committee increased the base salaries of our named executive officers as follows: Thomas A. Broughton III to $275,000 from $250,000, an increase of 10%; William M. Foshee to $180,000 from $165,000, an increase of 9.1%; Clarence C. Pouncey III to $225,000 from $215,000, an increase of 4.7%; G. Carlton Barker to $205,000 from $200,000, an increase of 2.5%; and Ronald A. DeVane to $220,000 from $210,000, an increase of 4.8%.

None of the named executive officers have employment agreements other than Mr. Barker. Mr. Barker's employment agreement provides that his minimum base salary is $200,000, subject to periodic discretionary raises. See "Employment Agreements" below for a more detailed discussion.

Annual Short-Term Cash Incentive Compensation

For the year ended December 31, 2010, the Compensation Committee relied on various performance measurements for defining executive officer incentive compensation for the named executive officers which included, among others, our net income, our asset growth, our loan growth, the executive's individual production and our efficiency and asset quality. Each of the performance measurements was applied and determined at the discretion of the Compensation Committee. The potential award level for Mr. Broughton is purely discretionary, but the potential award level for each of our other named executive officers is generally limited to 50% of their respective base salaries. The Compensation Committee also has discretionary authority to establish "stretch" performance goals for individual officers, potentially allowing for incentive compensation in excess of 50% of an officer's base salary. In 2010, the Committee established such "stretch" goals for each of our named executive officers other than Mr. Broughton, meaning that each of such officers had the opportunity to earn incentive compensation of up to 60% of their respective base salaries. With the exception of Mr. Barker, we do not have any contractual obligations to provide the opportunity to earn specified levels of incentive compensation, and thus such determination is entirely within the discretion of the Compensation Committee. Mr. Barker's employment agreement specifically provides that has the opportunity to receive discretionary annual short-term incentive compensation of up to 50% of his base salary and is eligible for such additional performance-based compensation as we may determine from time to time. The Compensation Committee makes a determination of awards based on the information available to it at the time the award is made. The Compensation Committee has no policy to adjust or recover awards or payments if the relevant Company performance measures upon which they are based are restated or otherwise adjusted in a manner that would reduce the size of an award or payment.

The table below details, for each named executive officer, the various elements comprising the performance targets for each named executive officer, the range of incentive cash compensation each was eligible to earn (expressed as a percentage of base salary), cash incentive compensation paid as a percentage of base salary and cash incentive compensation paid for 2010 performance.

Name	Performance Targets	2010 Incentive Range (%)	2010 Incentive as a Percentage of Base Salary (%)	2010 Incentive Paid ($)
	None	None	50 %	$ 137,500

Thomas A. Broughton III							
William M. Foshee	Net Income Regulatory Compliance	0%-60	%	50	%	$	90,000
Clarence C. Pouncey III	Net Income Nonperforming Asset Levels	0%-60	%	50	%	$	112,800
G. Carlton Barker	Montgomery Office Deposits and Loans Montgomery Office Net Income Non-Performing Asset Levels	0%-60	% (1)	60	% (1)	$	123,000
Ronald A. DeVane	Dothan Office Net Income Non-Performing Asset Levels	0%-60	% (1)	60	% (1)	$	132,000

(1) Messrs. Barker and DeVane also had additional “stretch” incentive goals based upon their respective office’s net income and return on average assets, allowing for incentive compensation of up to 10% of their base salaries in addition to the basic incentive range. Both Mr. Barker and Mr. DeVane achieved those goals.

The Compensation Committee did not set specific objective numerical targets for any of the above-stated criteria for each named executive officer. Instead, the Compensation Committee made a subjective determination for each named executive officer's performance using, other than in the case of Mr. Broughton, the above criteria as guidelines. The Compensation Committee believed that, based upon our overall performance and the specific individual performance levels of our named executive officers, it was appropriate to provide significant incentive bonuses to all of our named executive officers for 2010. Accordingly, for the year ended December 31, 2010 and based upon its subjective determination of our overall performance and such officers' individual performance for 2010, the Compensation Committee awarded the incentive compensation set forth in the table above.

Equity-Based Incentive Compensation

On May 19, 2005, Mr. Broughton received a stock option to purchase up to 75,000 shares of our common stock at $10.00 per share, and a warrant (now vested in full) in his capacity as a founding director to purchase up to 10,000 shares of our common stock for $10.00 per share. Such 75,000-share option vests 10,000 shares per year each May 19 and thus has vested 50,000 shares to date. It will vest an additional 10,000 shares on May 19, 2011 (for an aggregate of 60,000 shares) and each May 19 thereafter until the final 5,000 shares vest on May 19, 2013. In addition, Mr. Brought was granted (i) a stock option to purchase up to 10,000 shares of common stock at $20.00 per share in December 2007, which vests 100% after five years, for his services as a director, and (ii) a stock option to purchase up to 11,000 shares of common stock in January 2011, which vests in a lump sum five years from the grant date. On October 26, 2009, Mr. Broughton was awarded 20,000 shares of restricted common stock. These shares vest in five equal installments beginning on the first anniversary of the grant date.

In general, we have granted incentive stock options to our other named executive officers only in connection with their initial hiring, but with vesting schedules designed to enhance their retention and align their interests with those of our stockholders. These incentive stock options generally fully vest over six to eight years from their date of grant, with most of such grants not beginning to vest until three to five years following their date of grant, the first of which vested in February 2009. In addition, (i) in February 2010 we granted a stock option to purchase up to 5,000 shares to Mr. Foshee, which vests 1,000 shares on the fourth anniversary of the grant date and the remaining shares on the fifth anniversary of the grant date, and (ii) in January 2011 we granted a stock option to purchase up to 2,500 shares of common stock to Mr. Foshee, which vests in a lump sum five years from the grant date, See "Executive Compensation – Outstanding Equity Awards at Fiscal Year-End" below for a detailed description of the vesting schedules of each of the options granted to the named executive officers that were outstanding at December 31, 2010.

Our Stock Incentive Plans allow for the accelerated vesting of equity awards in the event of a change of control. In general, under these Plans a "change of control" means a reorganization, merger or consolidation of the Company with or into another entity where our stockholders before the transaction own less than 50% of our combined voting power after the transaction, a sale of all or substantially all of our assets or a purchase of more than 50% of the combined voting power of our outstanding capital stock in a single transaction or a series of related transactions by one "person" (as that term is used in Section 13(d) of the Exchange Act) or more than one person acting in concert.

Severance and Change in Control.

We do not have an employment or other agreement with Mr. Broughton that would require us to pay him severance payments upon termination of his employment. We have, however, entered into agreements to pay severance payments under certain circumstances to Mr. Barker under his employment agreement, and we have entered into change in control agreements with Mr. Foshee and Mr. Pouncey. Mr. Barker's employment agreement also contains a change in control provision. See "Executive Compensation – Employment Agreements", " – Change in Control Agreements" and " – Estimated Payments upon a Termination or Change in Control" below.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee of the board of directors of ServisFirst Bancshares, Inc. has reviewed and discussed the Compensation Discussion and Analysis for the Company for the year ended December 31, 2010 with management. In reliance on the reviews and discussions with management, the Compensation Committee recommended to the board of directors, and the board of directors has approved, that the Compensation Discussion and Analysis be included in the required company filings with the SEC, including the Proxy Statement for the 2010 Annual Meeting of Stockholders.

The Compensation Committee Report shall not be deemed incorporated by reference in any document previously or subsequently filed with the SEC that incorporates by reference all or any portion of this Proxy Statement.

Submitted by the Compensation Committee:

Hatton C.V. Smith, Chairman
J. Richard Cashio
James J. Filler

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the aggregate compensation paid by us or the Bank for services for the years ended December 31, 2010, 2009 and 2008 to our named executive officers:

Name and Principal Position Held	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards(1) ($)	Non-Equity Incentive Plan Comp ($)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Thomas A. Broughton III	2010	275,000	137,500	-	-	-	-	47,730 (3)	460,230
President & CEO	2009	250,000	-	500,000	-	-	-	47,494	797,494
	2008	250,000	100,000	-	-	-	-	50,149	400,149
Clarence C. Pouncey III	2010	225,000	112,800	-	-	-	-	22,472 (4)	360,272
EVP and Chief	2009	215,000	-	-	-	-	-	21,936	236,936
Operating Officer	2008	210,000	55,000	-	-	-	-	22,236	287,236
William M. Foshee	2010	180,000	90,000	-	37,150	-	-	9,704 (5)	316,854
EVP and Chief Financial	2009	165,000	-	-	-	-	-	17,482	182,482
Officer	2008	160,000	30,000	-	27,050	-	-	18,961	236,011
G. Carlton Barker (2)	2010	205,000	123,000	-	-	-	-	31,011 (6)	359,011
Regional CEO –	2009	200,000	-	-	-	-	-	29,560	229,560
Montgomery	2008	200,000	-	-	-				