

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

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|--|-----------------------------------|---|-----------------------------|
| Part I Reporting Issuer | | | |
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) | |
| SERVISFIRST BANCSHARES, INC. | | 26-0734029 | |
| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact | |
| ED WOODIE | (205)949-3448 | EWOODIE@SERVISFIRSTBANK.COM | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact | | 7 City, town, or post office, state, and Zip code of contact | |
| 850 SHADES CREEK PARKWAY, SUITE 200 | | BIRMINGHAM, AL 35209 | |
| 8 Date of action | | 9 Classification and description | |
| DECEMBER 20, 2016 | | COMMON STOCK, TWO-FOR-ONE SPLIT | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |
| 81768T108 | | SFBS | |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ SERVISFIRST BANCSHARES, INC. ("SERVISFIRST") DECLARED A TWO-FOR-ONE COMMON STOCK SPLIT IN THE FORM OF A STOCK DIVIDEND. THE STOCK DIVIDEND WAS PAYABLE DECEMBER 20, 2016 TO STOCKHOLDERS OF RECORD AS OF DECEMBER 5, 2016. HOLDERS OF SERVISFIRST'S COMMON STOCK AS OF THE RECORD DATE RECEIVED ONE ADDITIONAL SHARE FOR EVERY SHARE HELD ON THE RECORD DATE OF DECEMBER 5, 2016.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ THE STOCK SPLIT IS A NON-TAXABLE TRANSACTION UNDER INTERNAL REVENUE CODE SECTION (IRC §) 305(a) WITH THE RESULTING STOCKHOLDER BASIS ALLOCATED ACCORDING TO IRC §307(a). UNDER IRC §307(a), EACH STOCKHOLDER WILL ALLOCATE THE BASIS IN A SHARE OWNED PRIOR TO THE STOCK SPLIT OVER THAT SHARE AND THE ADDITIONAL SHARE ISSUED IN THE STOCK SPLIT. AS A RESULT, A STOCKHOLDER WILL MULTIPLY THE BASIS IN EACH SHARE OF STOCK HELD BEFORE THE STOCK SPLIT BY 50% TO DETERMINE THE BASIS IN EACH SHARE OF STOCK HELD AFTER THE STOCK SPLIT.

SEE EXAMPLE ON LINE #16.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ A STOCKHOLDER WILL MULTIPLY THE BASIS IN EACH SHARE OF STOCK HELD BEFORE THE STOCK SPLIT BY 50% TO DETERMINE THE BASIS IN EACH SHARE OF STOCK HELD AFTER THE STOCK SPLIT. THE CHANGE IN STOCKHOLDER TAX BASIS PER SHARE AFFECTS STOCKHOLDER SALES OF COMMON STOCK COMMENCING ON DECEMBER 20, 2016.

EXAMPLE:

BEFORE THE STOCK SPLIT: A STOCKHOLDER HOLDS 100 SHARES OF COMMON STOCK WITH A BASIS OF \$50 PER SHARE. TOTAL BASIS EQUALS \$5,000 (100 SHARES X \$50 = \$5,000).

AFTER THE STOCK SPLIT: A STOCKHODER HOLDS 200 SHARES OF COMMON STOCK WITH A BASIS OF \$25 PER SHARE. TOTAL BASIS EQUALS \$5,000 (200 SHARES X \$25 = \$5,000).

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____
IRC §305(a), IRC §307(a)

18 Can any resulting loss be recognized? ▶ _____
NO LOSS CAN BE RECOGNIZED WITH RESPECT TO THE STOCK SPLIT.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____
IRC §307(a) REQUIRES SHAREHOLDERS TO ALLOCATE THEIR TAX BASIS AMONG THE OLD STOCK AND THE NEW STOCK RECEIVED IN THE STOCK SPLIT BEGINNING DECEMBER 20, 2016.

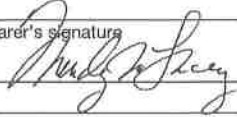
SHAREHOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THEIR INDIVIDUAL TAX CONSEQUENCES RELATED TO THE STOCK SPLIT.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 1/31/17

Print your name ▶ ED WOODIE Title ▶ CONTROLLER

| | | | | | |
|-------------------------------|--|---|-----------|---|---------------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | WENDY W. LACEY, CPA |  | 1/31/2017 | | P00449930 |
| | Firm's name ▶ WARREN AVERETT, LLC | | | Firm's EIN ▶ | 45-4084437 |
| | Firm's address ▶ 2500 ACTON ROAD, BIRMINGHAM, AL 35243 | | | Phone no. | (205)979-4100 |