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

FORM 10-Q

(Mark one)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2025

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _______to_______

Commission file number 001-36452

SERVISFIRST BANCSHARES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**26-0734029**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
2500 Woodcrest Place, Birmingham, Alabama	**35209**
(Address of Principal Executive Offices)	*(Zip Code)*

(205) 949-0302
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common stock, par value $.001 per share	SFBS	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or Section 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	Outstanding as of July 29, 2025
Common stock, $.001 par value	54,620,329

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PART 1. FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

SERVISFIRST BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	June 30, 2025 (Unaudited)	December 31, 2024 (1)
ASSETS		
Cash and due from banks	$ 140,659	$ 116,394
Interest-bearing balances due from depository institutions	1,236,485	2,259,195
Securities purchased with agreement to resell	327,760	-
Federal funds sold	6,000	1,045
Cash and cash equivalents	1,710,904	2,376,634
Available-for-sale debt securities, at fair value	1,227,851	1,161,400
Held-to-maturity debt securities (fair value of $630,105 and $639,496, respectively)	686,652	714,853
Restricted equity securities	12,156	11,300
Mortgage loans held for sale	22,131	9,211
Loans	13,232,560	12,605,836
Less allowance for credit losses	(169,959)	(164,458)
Loans, net	13,062,601	12,441,378
Premises and equipment, net	59,993	59,185
Accrued interest and dividends receivable	61,839	62,794
Deferred tax asset, net	55,735	61,748
Other real estate owned and repossessed assets	311	2,531
Bank owned life insurance contracts	304,050	299,787
Goodwill	13,615	13,615
Other assets	160,790	137,207
Total assets	$ 17,378,628	$ 17,351,643
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Non-interest-bearing demand	$ 2,632,058	$ 2,619,687
Interest-bearing	11,230,261	10,923,772
Total deposits	13,862,319	13,543,459
Federal funds purchased	1,599,135	1,993,728
Other borrowings	64,747	64,743
Accrued interest and dividends payable	27,374	28,026
Other liabilities	103,270	104,915
Total liabilities	15,656,845	15,734,871
Stockholders' equity:		
Preferred stock, par value $0.001 per share; 1,000,000 authorized and undesignated at June 30, 2025 and December 31, 2024	-	-
Common stock, par value $0.001 per share; 200,000,000 shares authorized: 54,618,545 shares issued and outstanding at June 30, 2025; and 54,569,427 shares issued and outstanding at December 31, 2024	54	54
Additional paid-in capital	236,716	235,781
Retained earnings	1,500,767	1,412,616
Accumulated other comprehensive loss	(16,254)	(32,179)
Total stockholders' equity attributable to ServisFirst Bancshares, Inc.	1,721,283	1,616,272
Noncontrolling interest	500	500
Total stockholders' equity	1,721,783	1,616,772
Total liabilities and stockholders' equity	$ 17,378,628	$ 17,351,643

(1) Derived from audited financial statements.

See Notes to Consolidated Financial Statements.

SERVISFIRST BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Interest income:				
Interest and fees on loans	$ 206,521	$ 194,300	$ 403,457	$ 381,278
Taxable securities	16,562	16,158	32,585	32,137
Nontaxable securities	5	9	11	18
Federal funds sold and securities purchased with agreement to resell	1,592	538	1,612	1,079
Other interest and dividends	21,955	16,535	50,066	39,738
Total interest income	246,635	227,540	487,731	454,250
Interest expense:				
Deposits	93,488	104,671	188,233	208,737
Borrowed funds	21,460	16,994	44,258	37,143
Total interest expense	114,948	121,665	232,491	245,880
Net interest income	131,687	105,875	255,240	208,370
Provision for credit losses	11,296	5,353	17,926	9,721
Net interest income after provision for credit losses	120,391	100,522	237,314	198,649
Noninterest income:				
Service charges on deposit accounts	2,671	2,293	5,229	4,443
Mortgage banking	1,323	1,379	1,936	2,057
Credit card income	2,119	2,333	4,087	4,488
Securities losses	(8,563)	-	(8,563)	-
Bank-owned life insurance income	2,126	2,058	4,263	5,289
Other operating income	745	828	1,746	1,427
Total noninterest income	421	8,891	8,698	17,704
Noninterest expenses:				
Salaries and employee benefits	22,576	24,213	45,455	47,199
Equipment and occupancy expense	3,523	3,567	7,245	7,124
Third party processing and other services	8,005	7,465	15,743	14,631
Professional services	1,904	1,741	3,837	3,205
FDIC and other regulatory assessments	2,753	2,202	5,607	6,107
Other real estate owned expense	27	7	60	37
Other operating expenses	5,416	3,623	12,364	10,818
Total noninterest expenses	44,204	42,818	90,311	89,121
Income before income taxes	76,608	66,595	155,701	127,232
Provision for income taxes	15,184	14,459	31,053	25,070
Net income	61,424	52,136	124,648	102,162
Dividends on preferred stock	31	31	31	31
Net income available to common stockholders	$ 61,393	$ 52,105	$ 124,617	$ 102,131
Basic earnings per common share	$ 1.12	$ 0.96	$ 2.28	$ 1.87
Diluted earnings per common share	$ 1.12	$ 0.95	$ 2.28	$ 1.87

See Notes to Consolidated Financial Statements.

SERVISFIRST BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	$ 61,424	$ 52,136	$ 124,648	$ 102,162
Other comprehensive income, net of tax				
Unrealized net holding gains arising during period from securities available for sale, net of tax of $858 and $65 for the three months ended June 30, 2025 and 2024, respectively, and $3,262 and $2,437 for the six months ended June 30, 2025 and 2024, respectively	2,560	205	9,736	1,344
Amortization of net unrealized gains on securities transferred from available-for-sale to held-to-maturity, net of tax of $(40) and $(45) for the three months ended June June 30, 2025 and 2024, respectively, and $(75) and $(82) for the six months ended June 30, 2025 and 2024, respectively	(119)	(134)	(224)	(270)
Net losses on sales of securities, net of tax of $2,150 for both three months ended June 30, 2025, and six months ended June 30, 2025	6,413	-	6,413	-
Other comprehensive income, net of tax	8,854	71	15,925	1,074
Comprehensive income	$ 70,278	52,207	$ 140,573	$ 103,236

See Notes to Consolidated Financial Statements.

SERVISFIRST BANCSHARES, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(In thousands, except share amounts) (Unaudited)

	Three Months Ended June 30,							
	Common Shares	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling interest	Total Stockholders' Equity
Balance, April 1, 2024	54,507,778	$ -	$ 54	$ 233,560	$ 1,286,245	$ (46,592)	$ 500	$ 1,473,767
Common dividends declared, $0.30 per share	-	-	-	-	(16,356)	-	-	(16,356)
Preferred dividends paid	-	-	-	-	(31)	-	-	(31)
Dividends on nonvested restricted stock recognized as compensation expense	-	-	-	-	54	-	-	54
Issue restricted shares pursuant to stock incentives, net of forfeitures	2,113	-	-	-	-	-	-	-
Issue shares of common stock upon exercise of stock options	11,588	-	-	238	-	-	-	238
3,162 shares of common stock withheld in net settlement upon exercise of stock options	-	-	-	(182)	-	-	-	(182)
Stock-based compensation expense	-	-	-	879	-	-	-	879
Other comprehensive income, net of tax	-	-	-	-	-	71	-	71
Net income	-	-	-	-	52,136	-	-	52,136
Balance, June 30, 2024	54,521,479	$ -	$ 54	$ 234,495	$ 1,322,048	$ (46,521)	$ 500	$ 1,510,576
Balance, April 1, 2025	54,601,217	$ -	$ 54	$ 235,840	$ 1,457,614	$ (25,108)	$ 500	$ 1,668,900
Common dividends declared, $0.335 per share Preferred dividends paid	-	-	-	-	(31)	-	-	(31)
Dividends on nonvested restricted stock recognized as compensation expense	-	-	-	-	57	-	-	57
Issue restricted shares pursuant to stock incentives, net of forfeitures	11,747	-	-	-	-	-	-	-
Restricted shares withheld for taxes	(7,326)							
Issue shares of common stock upon exercise of stock options	12,907	-	-	303	-	-	-	303
2,793 shares of common stock withheld in net settlement upon exercise of stock options	-	-	-	(263)	-	-	-	(263)
Stock-based compensation expense	-	-	-	836	-	-	-	836
Other comprehensive income, net of tax	-	-	-	-	-	8,854	-	8,854
Net income	-	-	-	-	61,424	-	-	61,424
Balance, June 30, 2025	54,618,545	$ -	$ 54	$ 236,716	$ 1,500,767	$ (16,254)	$ 500	$ 1,721,783

	Six Months Ended June 30,							
	Common Shares	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling interest	Total Stockholders' Equity
Balance, January 1, 2024	54,461,580	$ -	$ 54	$ 232,605	$ 1,254,841	$ (47,595)	$ 500	$ 1,440,405
Impact of adoption ASU 2023-02, net of tax	-	-	-	-	(2,269)	-	-	(2,269)
Adjusted balance, January 1, 2024	54,461,580	-	54	232,605	1,252,572	(47,595)	500	1,438,136
Common dividends paid, $0.30 per share	-	-	-	-	(16,353)	-	-	(16,353)
Common dividends declared, $0.30 per share	-	-	-	-	(16,356)	-	-	(16,356)
Preferred dividends paid	-	-	-	-	(31)	-	-	(31)
Dividends on nonvested restricted stock recognized as compensation expense	-	-	-	-	54	-	-	54
Issue restricted shares pursuant to stock incentives, net of forfeitures	42,025	-	-	-	-	-	-	-
Issue shares of common stock upon exercise of stock options	17,874	-	-	369	-	-	-	369
5,176 shares of common stock withheld in net settlement upon exercise of stock options	-	-	-	(315)	-	-	-	(315)
Stock-based compensation expense	-	-	-	1,836	-	-	-	1,836
Other comprehensive income, net of tax	-	-	-	-	-	1,074	-	1,074
Net income	-	-	-	-	102,162	-	-	102,162
Balance, June 30, 2024	54,521,479	$ -	$ 54	$ 234,495	$ 1,322,048	$ (46,521)	$ 500	$ 1,510,576
Balance, January 1, 2025	54,569,427	$ -	$ 54	$ 235,781	$ 1,412,616	$ (32,179)	$ 500	$ 1,616,772
Common dividends paid, $0.335 per share	-	-	-	-	(18,292)	-	-	(18,292)
Common dividends declared, $0.335 per share	-	-	-	-	(18,297)	-	-	(18,297)
Preferred dividends paid	-	-	-	-	(31)	-	-	(31)
Dividends on nonvested restricted stock recognized as compensation expense	-	-	-	-	123	-	-	123
Issue restricted shares pursuant to stock incentives, net of forfeitures	34,468	-	-	-	-	-	-	-
Restricted shares withheld for taxes	(7,326)							
Issue shares of common stock upon exercise of stock options	21,976	-	-	533	-	-	-	533
5,974 shares of common stock withheld in net settlement upon exercise of stock options	-	-	-	(1,299)	-	-	-	(1,299)
Stock-based compensation expense	-	-	-	1,701	-	-	-	1,701
Other comprehensive income, net of tax	-	-	-	-	-	15,925	-	15,925
Net income	-	-	-	-	124,648	-	-	124,648
Balance, June 30, 2025	54,618,545	$ -	$ 54	$ 236,716	$ 1,500,767	$ (16,254)	$ 500	$ 1,721,783

See Notes to Consolidated Financial Statements.

SERVISFIRST BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands) (Unaudited)

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
OPERATING ACTIVITIES		
Net income	$ 124,648	$ 102,162
Adjustments to reconcile net income to net cash provided by operations		
Deferred tax expense	677	596
Provision for credit losses	17,926	9,721
Depreciation	2,262	2,239
Accretion on acquired loans	103	96
Amortization of investments in tax credit partnerships	3,244	4,807
Net amortization (accretion) of debt securities	45	(311)
Decrease (increase) in accrued interest and dividends receivable	955	(3,755)
Stock-based compensation expense	1,701	1,836
Decrease in accrued interest and dividends payable	(652)	(2,252)
Proceeds from sale of mortgage loans held for sale	98,531	89,460
Originations of mortgage loans held for sale	(109,515)	(93,502)
Gain on sale of mortgage loans held for sale	(1,936)	(2,058)
Loss on sale of securities available for sale	8,563	-
Net gain on sale of other real estate owned and repossessed assets	(301)	(95)
Increase in cash surrender value of life insurance contracts	(4,263)	(2,058)
Net change in other assets, liabilities, and other operating activities	(26,438)	(5,162)
Net cash provided by operating activities	115,550	101,724
INVESTMENT ACTIVITIES		
Purchases of debt securities available-for-sale	(244,607)	(641,347)
Proceeds from maturities, calls and paydowns of debt securities available-for-sale	129,211	367,459
Proceeds from sale of debt securities available-for-sale	61,897	-
Purchases of debt securities held-to-maturity	(2,975)	(45,472)
Proceeds from maturities, calls and paydowns of debt securities held-to-maturity	30,878	260,881
Purchases of restricted equity securities	(856)	(1,074)
Investment in tax credit partnerships and SBIC	(2,964)	(8,800)
Return of capital from tax credit partnerships and SBIC	1,039	139
Net increase in loans	(639,487)	(680,141)
Purchases of premises and equipment	(3,070)	(2,115)
Proceeds from sale of other real estate owned and repossessed assets	2,756	780
Net cash used in investing activities	(668,178)	(749,690)
FINANCING ACTIVITIES		
Net increase (decrease) in non-interest-bearing deposits	12,371	(167,686)
Net increase in interest-bearing deposits	306,489	153,567
Net decrease in federal funds purchased	(394,593)	(159,570)
Proceeds from exercise of stock options	533	369
Taxes paid in net settlement of tax obligation upon exercise of stock options	(1,299)	(315)
Dividends paid on common stock	(36,572)	(32,691)
Dividends paid on preferred stock	(31)	(31)
Net cash used in financing activities	(113,102)	(206,357)
Net decrease in cash and cash equivalents	(665,730)	(854,323)
Cash and cash equivalents at beginning of period	2,376,634	2,131,088
Cash and cash equivalents at end of period	$ 1,710,904	$ 1,276,765
SUPPLEMENTAL DISCLOSURE		
Cash paid for:		
Interest	$ 233,143	$ 248,132
Income taxes	35,669	27,134
NONCASH TRANSACTIONS		
Other real estate acquired in settlement of loans	$ 235	$ 1,148
Dividends on nonvested restricted stock reclassified as compensation expense	123	55
Dividends declared but not paid	18,297	16,356

See Notes to Consolidated Financial Statements.

NOTE 1 - GENERAL

The accompanying consolidated financial statements in this report have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission, including Regulation S-X and the instructions for Form 10-Q, and have not been audited. These consolidated financial statements do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("U.S. GAAP") for complete financial statements. In the opinion of management, all adjustments necessary to present fairly the consolidated financial position and the consolidated results of operations for the interim periods have been made. All such adjustments are of a normal nature. The consolidated results of operations are not necessarily indicative of the consolidated results of operations that ServisFirst Bancshares, Inc. (the "Company") may achieve for future interim periods or the entire year. For further information, refer to the consolidated financial statements and footnotes included in the Company's Form 10-K for the year ended December 31, 2024.

All reported amounts are in thousands except share and per share data.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash on hand, cash items in process of collection, amounts due from banks, federal funds sold and securities purchased with agreement to resell are included in cash and cash equivalents.

NOTE 3 - EARNINGS PER COMMON SHARE

Basic earnings per common share are computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per common share include the dilutive effect of additional potential common shares issuable under stock options. The difference in earnings per share under the two-class method was not significant for both the three and six month periods ended June 30, 2025 and 2024.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(In Thousands, Except Shares and Per Share Data)			
Earnings per common share				
Weighted average common shares outstanding	54,610,516	54,516,638	54,603,086	54,503,829
Net income available to common stockholders	$ 61,393	$ 52,105	$ 124,617	$ 102,131
Basic earnings per common share	$ 1.12	$ 0.96	$ 2.28	$ 1.87
Weighted average common shares outstanding	54,610,516	54,516,638	54,603,086	54,503,829
Dilutive effects of assumed exercise of stock options and vesting of performance shares	53,964	92,041	57,491	98,203
Weighted average common and dilutive potential common shares outstanding	54,664,480	54,608,679	54,660,577	54,602,032
Net income available to common stockholders	$ 61,393	$ 52,105	$ 124,617	$ 102,131
Diluted earnings per common share	$ 1.12	$ 0.95	$ 2.28	$ 1.87

NOTE 4 - SECURITIES

The amortized cost and fair value of available-for-sale and held-to-maturity securities at June 30, 2025 and December 31, 2024 are summarized as follows:

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
June 30, 2025	(In Thousands)			
Debt Securities Available-for-Sale				
U.S. Treasury securities	$ 699,077	$ 2,442	$ (37)	$ 701,482
Mortgage-backed securities	187,193	568	(9,610)	178,151
State and municipal securities	10,366	1	(728)	9,639
Corporate debt	355,315	617	(17,353)	338,579
Total	$ 1,251,951	$ 3,628	$ (27,728)	$ 1,227,851
Debt Securities Held-to-Maturity				
U.S. Treasury securities	$ 249,511	$ -	$ (13,349)	$ 236,162
Mortgage-backed securities	428,794	131	(42,904)	386,021
State and municipal securities	8,347	-	(425)	7,922
Total	$ 686,652	$ 131	$ (56,678)	$ 630,105
December 31, 2024				
Debt Securities Available-for-Sale				
U.S. Treasury securities	$ 617,350	$ 580	$ (444)	$ 617,486
Mortgage-backed securities	243,435	49	(24,210)	219,274
State and municipal securities	10,516	1	(1,000)	9,517
Corporate debt	335,758	38	(20,673)	315,123
Total	$ 1,207,059	$ 668	$ (46,327)	$ 1,161,400
Debt Securities Held-to-Maturity				
U.S. Treasury securities	$ 249,403	$ -	$ (19,632)	$ 229,771

Mortgage-backed securities	457,365	14	(55,150)	402,229
State and municipal securities	8,085	-	(589)	7,496
Total	$ 714,853	$ 14	$ (75,371)	$ 639,496

The amortized cost and fair value of debt securities as of June 30, 2025 and December 31, 2024 by contractual maturity are shown below. Actual maturities may differ from contractual maturities of mortgage-backed securities since the mortgages underlying the securities may be called or prepaid with or without penalty. Therefore, these securities are not included in the maturity categories along with the other categories of debt securities.

	June 30, 2025		December 31, 2024	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In Thousands)			
Debt securities available-for-sale				
Due within one year	$ 268,240	$ 268,438	$ 223,145	$ 223,477
Due from one to five years	505,309	505,923	478,868	475,985
Due from five to ten years	276,806	261,360	258,611	240,114
Due after ten years	14,403	13,979	3,000	2,550
Mortgage-backed securities	187,193	178,151	243,435	219,274
	$ 1,251,951	$ 1,227,851	$ 1,207,059	$ 1,161,400
Debt securities held-to-maturity				
Due within one year	$ 853	$ 847	$ 250	$ 250
Due from one to five years	257,005	243,237	256,743	236,586
Due from five to ten years	-	-	495	431
Mortgage-backed securities	428,794	386,021	457,365	402,229
	$ 686,652	$ 630,105	$ 714,853	$ 639,496

All mortgage-backed securities are with government-sponsored enterprises ("GSEs") such as Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Corporation.

Restricted equity securities are comprised entirely of restricted investment in Federal Home Loan Bank stock for membership requirements.

The carrying value of investment securities pledged to secure public funds on deposit and for other purposes as required by law was $1.29 billion and $1.43 billion as of June 30, 2025 and December 31, 2024, respectively.

The following table identifies, as of June 30, 2025 and December 31, 2024, the Company's investment securities that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 or more months.

	Less Than Twelve Months		Twelve Months or More		Total	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
	(In Thousands)					
June 30, 2025						
Debt Securities available-for-sale						
U.S. Treasury securities	$ (37)	$ 68,554	$ -	$ -	$ (37)	$ 68,554
Mortgage-backed securities	$ -	$ 72	(9,610)	$ 106,391	$ (9,610)	$ 106,463
State and municipal securities	-	-	(728)	9,194	(728)	9,194
Corporate debt	(706)	23,644	(16,648)	249,651	(17,353)	273,295
Total	$ (743)	$ 92,270	$ (26,986)	$ 365,236	$ (27,728)	$ 457,506
Debt Securities held-to-maturity						
U.S. Treasury securities	$ -	$ -	$ (13,349)	$ 236,163	$ (13,349)	$ 236,162
Mortgage-backed securities	(125)	27,124	(42,779)	341,693	(42,904)	368,817
State and municipal securities	(77)	2,902	(348)	4,519	(425)	7,421
Total	$ (202)	$ 30,026	$ (56,476)	$ 582,375	$ (56,678)	$ 612,400
December 31, 2024						
Debt Securities available-for-sale						
U.S. Treasury securities	$ (445)	$ 250,547	$ -	$ -	$ (445)	$ 250,547
Mortgage-backed securities	$ (6)	$ 577	$ (24,204)	$ 179,178	$ (24,210)	$ 179,755
State and municipal securities	-	-	(1,000)	9,072	(1,000)	9,072
Corporate debt	(1,307)	25,596	(19,366)	284,489	(20,673)	310,085
Total	$ (1,758)	$ 276,720	$ (44,570)	$ 472,739	$ (46,328)	$ 749,459
Debt Securities held-to-maturity						
U.S. Treasury securities	$ -	$ -	$ (19,632)	$ 229,771	$ (19,632)	$ 229,771
Mortgage-backed securities	(536)	40,115	(54,614)	356,215	(55,150)	396,330
State and municipal securities	-	-	(589)	7,247	(589)	7,247
Total	$ (536)	$ 40,115	$ (74,835)	$ 593,233	$ (75,371)	$ 633,348

At June 30, 2025 and December 31, 2024, no allowance for credit losses ("ACL") has been recognized on available-for-sale debt securities in an unrealized loss position as the Company does not believe any of the debt securities are credit impaired. This is based on the Company's analysis of the risk characteristics, including credit ratings, and other qualitative factors related to available-for-sale debt securities. The issuers of these debt securities continue to make timely principal and interest payments under the contractual terms of the securities. During the second quarter of 2025, the Company sold available-for-sale mortgage-backed securities with an amortized cost basis of $70.5 million and recorded a pre-tax loss of $8.6 million, as a result of a portfolio restructuring. The proceeds from the sale were reinvested into higher-yielding securities. The unrealized losses are due to increases in market interest rates over the yields available at the time the debt securities were purchased. Management measures expected credit losses on held-to-maturity securities on a collective basis by major security type with each type sharing similar risk characteristics and considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts. With regard to U.S. Treasury and mortgage-backed securities issued by the U.S. government, or agencies thereof, it is expected that the securities will not be settled at prices less than the amortized cost bases of the securities as such securities are backed by the full faith and credit of and/or guaranteed by the U.S. government. Accordingly, no allowance for credit losses has been recorded for these securities. With regard to securities issued by states and municipal subdivisions and other held-to-maturity securities, management considers (i) issuer bond ratings, (ii) historical loss rates for given bond ratings, (iii) whether issuers continue to make timely principal and interest payments under the contractual terms of the securities, and (iv) internal forecasts. Historical loss rates associated with securities having similar grades as those in our portfolio have generally not been significant. Furthermore, as of June 30, 2025 and 2024, there were no past due principal or interest payments associated with these securities. Based upon (i) the issuer's strong bond ratings and (ii) a zero historical loss rate, no allowance for credit losses has been recorded for held-to-maturity State and Municipal Securities as such amount is not material at June 30, 2025 and 2024. All debt securities in an unrealized loss position as of June 30, 2025 continue to perform as scheduled and the Company does not believe there is a possible credit loss or that an allowance for credit loss on these debt securities is necessary.

The following table summarizes information about sales of debt securities available-for-sale.

	Six Months Ended June 30,	
	2025	2024
	(In Thousands)	
Sale proceeds	$ 61,897	$ -
Gross realized losses	(8,563)	-
Net realized gain (loss)	$ (8,563)	$ -

NOTE 5 – LOANS

The loan portfolio is classified based on the underlying collateral utilized to secure each loan for financial reporting purposes. This classification is consistent with the Quarterly Report of Condition and Income filed by ServisFirst Bank with the Federal Deposit Insurance Corporation ("FDIC").

Commercial, financial and agricultural - Includes loans to business enterprises issued for commercial, industrial, agricultural production and/or other professional purposes. These loans are generally secured by equipment, inventory, and accounts receivable of the borrower and repayment is primarily dependent on business cash flows.

Real estate – construction – Includes loans secured by real estate to finance land development or the construction of industrial, commercial or residential buildings. Repayment is dependent upon the completion and eventual sale, refinance or operation of the related real estate project.

Owner-occupied commercial real estate mortgage – Includes loans secured by nonresidential properties for which the primary source of repayment is the cash flow from the ongoing operations conducted by the party that owns the property.

1-4 family real estate mortgage – Includes loans secured by residential properties, including home equity lines of credit. Repayment is primarily dependent on the personal cash flow of the borrower.

Non-owner occupied commercial real estate mortgage – Includes loans secured by non-owner occupied properties, including office buildings, industrial buildings, warehouses, retail buildings, and multifamily residential properties. Repayment is primarily dependent on income generated from the underlying collateral.

Consumer – Includes loans to individuals not secured by real estate. Repayment is dependent upon the personal cash flow of the borrower.

The following table details the Company's loans at June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
	(Dollars In Thousands)	
Commercial, financial and agricultural	$ 2,966,191	$ 2,869,894
Real estate - construction	1,735,405	1,489,306
Real estate - mortgage:		
Owner-occupied commercial	2,557,711	2,547,143
1-4 family mortgage	1,561,461	1,444,623
Non-owner occupied commercial	4,338,697	4,181,243
Subtotal: Real estate - mortgage	8,457,869	8,173,009
Consumer	73,095	73,627
Total Loans	13,232,560	12,605,836
Less: Allowance for credit losses on loans	(169,959)	(164,458)
Net Loans	$ 13,062,601	$ 12,441,378
Commercial, financial and agricultural	22.42%	22.77%
Real estate - construction	13.11%	11.81%
Real estate - mortgage:		
Owner-occupied commercial	19.33%	20.21%
1-4 family mortgage	11.80%	11.46%
Non-owner occupied commercial	32.79%	33.17%
Subtotal: Real estate - mortgage	63.92%	64.84%
Consumer	0.55%	0.58%
Total Loans	100.00%	100.00%

The credit quality of the loan portfolio is summarized no less frequently than quarterly using categories similar to the standard asset classification system used by the federal banking agencies. The following table presents credit quality indicators for the credit loss portfolio segments and classes. These categories are utilized to develop the associated allowance for credit losses using historical losses adjusted for current economic conditions defined as follows:

- Pass – loans that are well protected by the current net worth and paying capacity of the obligor (or obligors, if any) or by the fair value, less cost to acquire and sell, of any underlying collateral.
- Special Mention – loans with potential weakness that may, if not reversed or corrected, weaken the credit or inadequately protect the Company's position at some future date. These loans are not adversely classified and do not expose an institution to sufficient risk to warrant an adverse classification.
- Substandard – loans that exhibit well-defined weakness or weaknesses that presently jeopardize debt repayment. These loans are characterized by the distinct possibility that the institution will sustain some loss if the weaknesses are not corrected.
- Doubtful – loans that have all the weaknesses inherent in loans classified substandard, plus the added characteristic that the weaknesses make collection or liquidation in full on the basis of currently existing facts, conditions, and values highly questionable and improbable.

The table below presents loan balances classified by credit quality indicator, loan type and based on year of origination as of June 30, 2025:

June 30, 2025	2025	2024	2023	2022	2021	Prior	Revolving	Revolving lines of credit converted to term loans	Total
					(In Thousands)				
Commercial, financial and agricultural									
Pass	$ 358,354	$ 372,499	$ 142,078	$ 278,631	$ 216,249	$ 256,151	$ 1,185,257	$ 23,682	$ 2,832,901
Special Mention	1,200	2,042	1,772	5,612	3,396	7,573	32,959	1,297	55,851
Substandard - Accruing	-	222	-	11,536	-	25,310	3,086	876	41,030
Substandard - Non-accrual	-	-	669	965	5,289	8,969	20,496	21	36,409
Total Commercial, financial and agricultural	$ 359,554	$ 374,763	$ 144,519	$ 296,744	$ 224,934	$ 298,003	$ 1,241,798	$ 25,876	$ 2,966,191
Current-period gross write-offs	$ -	$ -	$ 618	$ 5,275	$ 886	$ 543	$ 1,618	$ 323	$ 9,263
Real estate - construction									
Pass	$ 170,525	$ 554,630	$ 280,417	$ 414,424	$ 142,719	$ 39,546	$ 89,338	$ -	$ 1,691,599
Special Mention	317	5,253	532	12,887	16,425	-	1	-	35,415
Substandard - Accruing	-	-	-	-	-	945	-	-	945
Substandard - Non-accrual	-	-	3,628	3,818	-	-	-	-	7,446
Total Real estate - construction	$ 170,842	$ 559,883	$ 284,577	$ 431,129	$ 159,144	$ 40,491	$ 89,339	$ -	$ 1,735,405
Current-period gross write-offs	$ -	-	-	46	-	$ -	$ -	$ -	$ 46
Owner-occupied commercial									
Pass	$ 180,699	$ 357,092	$ 164,458	$ 494,066	$ 432,830	$ 793,053	$ 60,170	$ 5,679	$ 2,488,047
Special Mention	65	4,967	6,795	397	11,622	23,203	5,724	-	52,773
Substandard - Accruing	-	-	417	2,148	-	2,211	-	-	4,776
Substandard - Non-accrual	-	688	-	2,886	6,552	1,709	280	-	12,115
Total Owner-occupied commercial	$ 180,764	$ 362,747	$ 171,670	$ 499,497	$ 451,004	$ 820,176	$ 66,174	$ 5,679	$ 2,557,711
Current-period gross write-offs	$ -	$ 2,790	$ -	$ -	$ -	$ 560	$ 1	$ -	$ 3,351
1-4 family mortgage									
Pass	$ 202,139	$ 261,471	$ 113,469	$ 296,990	$ 177,886	$ 125,345	$ 359,490	$ 3,712	$ 1,540,502
Special Mention	-	778	165	2,940	1,731	6,781	2,663	796	15,854
Substandard - Accruing	-	-	-	-	-	402	91	-	493
Substandard - Non-accrual	-	-	733	384	943	1,182	1,370	-	4,612
Total 1-4 family mortgage	$ 202,139	$ 262,249	$ 114,367	$ 300,314	$ 180,560	$ 133,710	$ 363,614	$ 4,508	$ 1,561,461
Current-period gross write-offs	$ -	$ -	$ -	$ 20	$ -	$ -	$ 31	$ -	$ 51
Non-owner occupied									

commercial									
Pass	$ 260,089	$ 480,159	$ 169,005	$ 1,434,093	$ 816,635	$ 970,527	$ 69,165	$ 9,077	$ 4,208,750
Special Mention	487	-	262	28,062	91,229	-	-	-	120,040
Substandard - Accruing	-	-	-	-	-	2,643	-	-	2,643
Substandard - Non-accrual	-	-	-	1,957	2,593	2,714	-	-	7,264
Total Non-owner occupied commercial	$ 260,576	$ 480,159	$ 169,267	$ 1,464,112	$ 910,457	$ 975,884	$ 69,165	$ 9,077	$ 4,338,697
Current-period gross write-offs	$ -	-	-	750	-	$ -	$ -	$ -	$ 750
Consumer									
Pass	$ 24,451	$ 5,353	$ 2,214	$ 1,934	$ 1,026	$ 2,975	$ 34,341	$ -	$ 72,294
Special Mention	-	-	-	-	-	-	-	-	-
Substandard - Accruing	-	-	-	-	-	30	-	-	30
Substandard - Non-accrual	-	-	-	-	-	737	34	-	771
Total Consumer	$ 24,451	$ 5,353	$ 2,214	$ 1,934	$ 1,026	$ 3,742	$ 34,375	$ -	$ 73,095
Current-period gross write-offs	$ -	-	-	-	-	$ 133	$ -	$ -	$ 133
Total Loans									
Pass	$ 1,196,257	$ 2,031,204	$ 871,641	$ 2,920,138	$ 1,787,345	$ 2,187,597	$ 1,797,761	$ 42,150	$ 12,834,093
Special Mention	2,069	13,040	9,526	49,898	124,403	37,557	41,347	2,093	279,933
Substandard - Accruing	-	222	417	13,684	-	31,541	3,177	876	49,917
Substandard - Non-accrual	-	688	5,030	10,010	15,377	15,311	22,180	21	68,617
Total Loans	$ 1,198,326	$ 2,045,154	$ 886,614	$ 2,993,730	$ 1,927,125	$ 2,272,006	$ 1,864,465	$ 45,140	$ 13,232,560
Current-period gross write-offs	$ -	$ 2,790	$ 618	$ 6,091	$ 886	$ 1,236	$ 1,650	$ 323	$ 13,594

Loans by credit quality indicator, loan type and based on year of origination as of December 31, 2024 were as follows:

December 31, 2024	2024	2023	2022	2021	2020	Prior	Revolving	Revolving lines of credit converted to term loans	Total
				(In Thousands)					
Commercial, financial and agricultural									
Pass	$ 529,002	$ 171,139	$ 331,476	$ 273,304	$ 120,088	$ 195,012	$ 1,121,196	$ 248	$ 2,741,464
Special Mention	1,767	666	12,260	2,442	3,254	10,001	21,647	-	52,037
Substandard - Accruing	1,064	-	987	349	364	25,620	22,317	-	50,701
Substandard - Non-accrual	-	1,177	2,049	8,201	271	8,513	5,481	-	25,692
Total Commercial, financial and agricultural	$ 531,833	$ 172,982	$ 346,772	$ 284,296	$ 123,977	$ 239,146	$ 1,170,641	$ 248	$ 2,869,894
Current-period gross write-offs	$ 36	$ 1,002	$ -	$ 52	$ 675	$ 4,327	$ 2,851	$ 3,172	$ 12,115
Real estate - construction									
Pass	$ 367,275	$ 292,379	$ 506,542	$ 150,307	$ 32,330	$ 16,083	$ 72,793	$ -	$ 1,437,710
Special Mention	259	3,100	28,224	16,477	-	-	-	-	48,060
Substandard - Accruing	-	590	2,000	-	-	946	-	-	3,536
Substandard - Non-accrual	-	-	-	-	-	-	-	-	-
Total Real estate - construction	$ 367,534	$ 296,069	$ 536,766	$ 166,784	$ 32,330	$ 17,029	$ 72,793	$ -	$ 1,489,306
Current-period gross write-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Owner-occupied commercial									
Pass	$ 377,351	$ 168,561	$ 503,351	$ 467,790	$ 276,795	$ 594,794	$ 65,269	$ 802	$ 2,454,713
Special Mention	10,148	6,410	1,373	22,087	5,441	16,912	4,961	-	67,332
Substandard - Accruing	3,562	417	1,147	6,681	2,169	2,378	-	-	16,354
Substandard - Non-accrual	-	-	2,886	-	79	5,779	-	-	8,744
Total Owner-occupied commercial	$ 391,061	$ 175,388	$ 508,757	$ 496,558	$ 284,484	$ 619,863	$ 70,230	$ 802	$ 2,547,143
Current-period gross write-offs	$ -	$ -	$ -	$ 100	$ -	$ 137	$ -	$ -	$ 237
1-4 family mortgage									
Pass	$ 294,602	$ 126,953	$ 319,472	$ 188,104	$ 65,673	$ 78,629	$ 351,240	$ -	$ 1,424,673
Special Mention	-	469	2,523	2,943	1,124	6,628	2,428	-	16,115
Substandard - Accruing	-	-	-	-	-	403	381	-	784
Substandard - Non-accrual	-	265	646	855	405	380	500	-	3,051
Total 1-4 family mortgage	$ 294,602	$ 127,687	$ 322,641	$ 191,902	$ 67,202	$ 86,040	$ 354,549	$ -	$ 1,444,623
Current-period gross write-offs	$ -	$ 28	$ 61	$ 62	$ -	$ 129	$ 481	$ -	$ 761
Non-owner occupied commercial									
Pass	$ 479,275	$ 174,415	$ 1,449,886	$ 888,829	$ 367,100	$ 670,317	$ 70,161	$ 246	$ 4,100,229
Special Mention	-	$ -	$ 8,304	$ 53,926	$ -	$ 3,376	$ -	$ -	65,606

Substandard - Accruing	-	-	4,584	-	-	9,565	-	-	14,149
Substandard - Non-accrual	-	-	384	875	-	-	-	-	1,259
Total Non-owner occupied commercial	$ 479,275	$ 174,415	$ 1,463,158	$ 943,630	$ 367,100	$ 683,258	$ 70,161	$ 246	$ 4,181,243
Current-period gross write-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consumer									
Pass	$ 33,004	$ 2,941	$ 2,462	$ 1,346	$ 1,234	$ 2,505	$ 29,335	$ -	$ 72,827
Special Mention	-	-	-	-	-	-	45	-	45
Substandard - Accruing	-	-	-	-	-	-	-	-	-
Substandard - Non-accrual	-	-	-	-	-	755	-	-	755
Total Consumer	$ 33,004	$ 2,941	$ 2,462	$ 1,346	$ 1,234	$ 3,260	$ 29,380	$ -	$ 73,627
Current-period gross write-offs	$ 19	$ 8	$ -	$ -	$ -	$ 75	$ 469	$ -	$ 571
Total Loans									
Pass	$ 2,080,509	$ 936,388	$ 3,113,189	$ 1,969,680	$ 863,220	$ 1,557,340	$ 1,709,994	$ 1,296	$ 12,231,616
Special Mention	12,174	10,645	52,684	97,875	9,819	36,917	29,081	-	249,195
Substandard - Accruing	4,626	1,007	8,718	7,030	2,533	38,912	22,698	-	85,524
Substandard - Non-accrual	-	1,442	5,965	9,931	755	15,427	5,981	-	39,501
Total Loans	$ 2,097,309	$ 949,482	$ 3,180,556	$ 2,084,516	$ 876,327	$ 1,648,596	$ 1,767,754	$ 1,296	$ 12,605,836
Current-period gross write-offs	$ 55	$ 1,038	$ 61	$ 214	$ 675	$ 4,668	$ 3,801	$ 3,172	$ 13,684

Loans by performance status as of June 30, 2025 and December 31, 2024 were as follows:

June 30, 2025	Performing	Nonperforming	Total
		(In Thousands)	
Commercial, financial and agricultural	$ 2,928,673	$ 37,518	$ 2,966,191
Real estate - construction	1,727,959	7,446	1,735,405
Real estate - mortgage:			
Owner-occupied commercial	2,545,596	12,115	2,557,711
1-4 family mortgage	1,554,422	7,039	1,561,461
Non-owner occupied commercial	4,331,433	7,264	4,338,697
Total real estate mortgage	8,431,451	26,418	8,457,869
Consumer	72,309	786	73,095
Total	$ 13,160,392	$ 72,168	$ 13,232,560

December 31, 2024	Performing	Nonperforming	Total
		(In Thousands)	
Commercial, financial and agricultural	$ 2,844,164	$ 25,730	$ 2,869,894
Real estate - construction	1,488,645	661	1,489,306
Real estate - mortgage:			
Owner-occupied commercial	2,538,399	8,744	2,547,143
1-4 family mortgage	1,439,332	5,291	1,444,623
Non-owner occupied commercial	4,179,984	1,259	4,181,243
Total real estate mortgage	8,157,715	15,294	8,173,009
Consumer	72,846	781	73,627
Total	$ 12,563,370	$ 42,466	$ 12,605,836

Loans by past due status as of June 30, 2025 and December 31, 2024 were as follows:

June 30, 2025	Past Due Status (Accruing Loans)							
	30-59 Days	60-89 Days	90+ Days	Total Past Due	Total Nonaccrual	Current	Total Loans	Nonaccrual With no ACL
	(In Thousands)							
Commercial, financial and agricultural	$ 5,138	$ 11,230	$ 1,108	$ 17,476	$ 36,410	$ 2,912,305	$ 2,966,191	$ 30,790
Real estate - construction	2,120	34,310	-	36,430	7,446	1,691,529	1,735,405	7,446
Real estate - mortgage:								
Owner-occupied commercial	1,866	2,639	-	4,505	12,115	2,541,091	2,557,711	10,440
1-4 family mortgage	831	3,072	2,426	6,329	4,613	1,550,519	1,561,461	3,947
Non-owner occupied commercial	-	69,225	-	69,225	7,264	4,262,208	4,338,697	6,436
Total real estate - mortgage	2,697	74,936	2,426	80,059	23,992	8,353,818	8,457,869	20,823
Consumer	65	63	15	143	771	72,181	73,095	1
Total	$ 10,020	$ 120,539	$ 3,549	$ 134,108	$ 68,619	$ 13,029,833	$ 13,232,560	$ 59,060

December 31, 2024	Past Due Status (Accruing Loans)							
	30-59 Days	60-89 Days	90+ Days	Total Past Due	Total Nonaccrual	Current	Total Loans	Nonaccrual With no ACL
	(In Thousands)							
Commercial, financial and agricultural	$ 9,218	$ 8,469	$ 38	$ 17,725	$ 25,692	$ 2,826,477	$ 2,869,894	$ 22,266
Real estate - construction	6,046	15,898	661	22,605	-	1,466,701	1,489,306	-
Real estate - mortgage:								
Owner-occupied commercial	9,494	2,478	-	11,972	8,744	2,526,427	2,547,143	8,644
1-4 family mortgage	1,157	3,111	2,240	6,508	3,051	1,435,064	1,444,623	2,787
Non-owner occupied commercial	4,432	-	-	4,432	1,259	4,175,552	4,181,243	729
Total real estate - mortgage	15,083	5,589	2,240	22,912	13,054	8,137,043	8,173,009	12,160
Consumer	83	34	26	143	755	72,729	73,627	-
Total	$ 30,430	$ 29,990	$ 2,965	$ 63,385	$ 39,501	$ 12,502,950	$ 12,605,836	$ 34,426

Under the current expected credit losses (“CECL”) methodology, the ACL is measured on a collective basis for pools of loans with similar risk characteristics. For loans that do not share similar risk characteristics with the collectively evaluated pools, evaluations are performed on an individual basis. For all loan segments collectively evaluated, losses are predicted over a period of time determined to be reasonable and supportable, and at the end of the reasonable and supportable forecast period losses are reverted to long-term historical averages. The estimated loan losses for all loan segments are adjusted for changes in qualitative factors not inherently considered in the quantitative analyses.

The Company uses the discounted cash flow (“DCF”) method to estimate ACL for all loan pools except for commercial revolving lines of credit and credit cards. For all loan pools utilizing the DCF method, the Company utilizes and forecasts national unemployment rate as a loss driver. The Company also utilizes and forecasts GDP growth as a second loss driver for its agricultural and consumer loan pools. Consistent forecasts of the loss drivers are used across the loan segments. At June 30, 2025 and December 31, 2024, the Company utilized a reasonable and supportable forecast period of twelve months followed by a six-month straight-line reversion to long term averages. The Company leveraged economic projections from reputable and independent sources to inform its loss driver forecasts. The Company expects national unemployment to rise and national GDP growth rate to decline compared to the December 31, 2024 forecast.

The Company uses a loss-rate method to estimate expected credit losses for its commercial revolving lines of credit and credit card pools. The commercial revolving lines of credit pool incorporates a probability of default ("PD") and loss given default ("LGD") modeling approach. This approach involves estimating the pool average life and then using historical correlations of default and loss experience over time to calculate the lifetime PD and LGD. These two inputs are then applied to the outstanding pool balance. The credit card pool incorporates a remaining life modeling approach, which utilizes an attrition-based method to estimate the remaining life of the pool. A quarterly average loss rate is then calculated using the Company's historical loss data. The model reduces the pool balance quarterly on a straight-line basis over the estimated life of the pool. The quarterly loss rate is multiplied by the outstanding balance at each period-end resulting in an estimated loss for each quarter. The sum of estimated loss for all quarters is the total calculated reserve for the pool. Management has also applied the loss-rate method to commercial and industrial ("C&I") lines of credit and to credit cards due to their generally short-term nature. An expected loss ratio is applied based on internal and peer historical losses.

Each loan pool is adjusted for qualitative factors not inherently considered in the quantitative analyses. The qualitative adjustments either increase or decrease the quantitative model estimation. The Company considers factors that are relevant within the qualitative framework, which include the following: lending policy, changes in nature and volume of loans, staff experience, changes in volume and trends of problem loans, concentration risk, trends in underlying collateral values, external factors, quality of loan review system and other economic conditions.

Inherent risks in the loan portfolio will differ based on type of loan. Specific risk characteristics by loan portfolio segment are listed below:

Commercial and industrial loans include risks associated with borrower's cash flow, debt service coverage, and management's expertise. These loans are subject to the risk that the Company may have difficulty converting collateral to a liquid asset if necessary, as well as risks associated with degree of specialization, mobility and general collectability in a default situation. These commercial loans may be subject to many different types of risks, including fraud, bankruptcy, economic downturn, deteriorated or non-existent collateral, and changes in interest rates.

Real estate construction loans include risks associated with the borrower's credit-worthiness, contractor's qualifications, borrower and contractor performance, and the overall risk and complexity of the proposed project. Construction lending is also subject to risks associated with sub-market dynamics, including population, employment trends and household income. During times of economic stress, this type of loan has typically had a greater degree of risk than other loan types.

Real estate mortgage loans consist of loans secured by commercial and residential real estate. Commercial real estate lending is dependent upon successful management, marketing and expense supervision necessary to maintain the property. Repayment of these loans may be adversely affected by conditions in the real estate market or the general economy. Also, commercial real estate loans typically involve relatively large loan balances to a single borrower. Residential real estate lending risks are generally less significant than those of other loans. Real estate lending risks include fluctuations in the value of real estate, bankruptcies, economic downturns and customer financial problems.

Consumer loans carry a moderate degree of risk compared to other loans. They are generally more risky than traditional residential real estate loans but less risky than commercial loans. Risk of default is usually determined by the well-being of the local economies. During times of economic stress, there is usually some level of job loss both nationally and locally, which directly affects the ability of the consumer to repay debt.

The following table presents changes in the ACL, segregated by loan type, for the three and six months ended June 30, 2025 and 2024.

	Commercial, financial and agricultural	Real estate - construction	Owner-occupied commercial	1-4 family mortgage	Non-owner occupied commercial	Real estate - mortgage	Consumer	Total
	(In Thousands)							
	Three Months Ended June 30, 2025							
Allowance for credit losses on Loans:								
Balance at April 1, 2025	$ 52,518	$ 41,809	21,330	15,246	31,853	$ 68,429	$ 2,278	$ 165,034
Charge-offs	(6,849)	-	(560)	(20)	-	(580)	(73)	(7,502)
Recoveries	959	-	1	-	-	1	58	1,018
Provision for credit losses on loans	6,394	4,614	156	(282)	336	210	191	11,409
Balance at June 30, 2025	$ 53,022	$ 46,423	20,927	14,944	32,189	$ 68,060	$ 2,454	$ 169,959
	Three Months Ended June 30, 2024							
Allowance for credit losses:								
Balance at April 1, 2024	$ 51,022	$ 45,689	18,391	12,994	26,255	$ 57,640	$ 1,541	$ 155,892
Charge-offs	(3,355)	-	(100)	(19)	-	(119)	(108)	(3,582)
Recoveries	406	8	-	-	-	-	15	429
Provision	8,143	(5,247)	748	654	761	2,163	294	5,353
Balance at June 30, 2024	$ 56,216	$ 40,450	19,039	13,629	27,016	$ 59,684	$ 1,742	$ 158,092
	Six Months Ended June 30, 2025							
Allowance for credit losses:								
Balance at January 1, 2025	$ 55,330	$ 38,597	22,302	14,096	31,328	$ 67,726	$ 2,805	$ 164,458
Charge-offs	(9,263)	(46)	(3,351)	(51)	(750)	(4,152)	(133)	(13,594)
Recoveries	1,129	-	1	-	-	1	84	1,214
Provision for credit losses on loans	5,826	7,872	1,975	899	1,611	4,485	(302)	17,881
Balance at June 30, 2025	$ 53,022	$ 46,423	20,927	14,944	32,189	$ 68,060	$ 2,454	$ 169,959
	Six Months Ended June 30, 2024							
Allowance for credit losses:								
Balance at January 1, 2024	$ 52,121	$ 44,658	17,702	12,029	25,395	$ 55,126	$ 1,412	$ 153,317
Charge-offs	(5,197)	-	(100)	(86)	-	(186)	(206)	(5,589)
Recoveries	605	8	6	-	-	6	24	643
Provision	8,687	(4,216)	1,431	1,686	1,621	4,738	512	9,721
Balance at June 30, 2024	$ 56,216	$ 40,450	19,039	13,629	27,016	$ 59,684	$ 1,742	$ 158,092

We maintain an ACL on unfunded commercial lending commitments and letters of credit to provide for the risk of loss inherent in these arrangements. The ACL is computed using a methodology similar to that used to determine the ACL for loans, modified to take into account the probability of a drawdown on the commitment. The ACL on unfunded loan commitments is classified as a liability account on the Consolidated Balance Sheets within other liabilities, while the corresponding provision for these credit losses is recorded as a component of provision for credit losses. The ACL on unfunded commitments was $655,000 at June 30, 2025, and $608,000 at December 31, 2024. The provision (recovery) expense for unfunded commitments was $(113,000) and $47,000 for the three and six months ended June 30, 2025, respectively. There was $336,000 and $503,000 provision expense for the three and six months ended June 30, 2024, respectively.

Loans that no longer share similar risk characteristics with collectively evaluated pools are estimated on an individual basis. A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The following table summarizes collateral-dependent gross loans held for investment by collateral type as follows:

June 30, 2025	Real Estate	Accounts Receivable	Equipment	Other	Total	ACL Allocation
			(In Thousands)			
Commercial, financial and agricultural	$ 18,795	$ 1,836	$ 15,470	$ 37,370	$ 73,471	$ 15,349
Real estate - construction	7,443	-	-	945	8,388	-
Real estate - mortgage:						
Owner-occupied commercial	16,583	-	-	356	16,939	1,674
1-4 family mortgage	4,961	-	107	-	5,068	457
Non-owner occupied commercial	9,044	-	-	876	9,920	1,514
Total real estate - mortgage	30,588	-	107	1,232	31,927	3,645
Consumer	-	-	-	800	800	800
Total	$ 56,826	$ 1,836	$ 15,577	$ 40,347	$ 114,586	$ 19,794

December 31, 2024	Real Estate	Accounts Receivable	Equipment	Other	Total	ACL Allocation
			(In Thousands)			
Commercial, financial and agricultural	$ 18,901	$ 1,721	$ 7,449	$ 42,684	$ 70,755	$ 17,615
Real estate - construction	2,590	-	-	946	3,536	-
Real estate - mortgage:						
Owner-occupied commercial	24,935	-	-	78	25,013	2,890
1-4 family mortgage	3,719	-	109	-	3,828	287
Non-owner occupied commercial	14,533	-	-	875	15,408	2,081
Total real estate - mortgage	43,187	-	109	953	44,249	5,258
Consumer	-	-	-	755	755	755
Total	$ 64,678	$ 1,721	$ 7,558	$ 45,338	$ 119,295	$ 23,628

The table below details the amortized cost basis at the end of the reporting period for loans made to borrowers experiencing financial difficulty that were modified during the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30, 2025				
	Term Extensions	Payment Deferral and Term Extensions	New loan	Total	Percentage of Total Loans
			(In Thousands)		
Commercial, financial and agricultural	$ 494	$ -	$ -	$ 494	-%
Real estate - construction	-	-	-	-	-%
Owner-occupied commercial	-	-	-	-	-%
1-4 family mortgage	-	-	-	-	-%
Non-owner occupied commercial	-	-	-	-	-%
Total	$ 494	$ -	$ -	$ 494	-%

	Six Months Ended June 30, 2025				
	Term Extensions	Payment Deferral and Term Extensions	New loan	Total	Percentage of Total Loans
			(In Thousands)		
Commercial, financial and agricultural	$ 494	$ -	$ -	$ 494	-%
Real estate - construction	-	-	-	-	-%
Owner-occupied commercial	-	11,105	-	11,105	0.08%
1-4 family mortgage	-	-	-	-	-%
Non-owner occupied commercial	-	-	-	-	-%
Total	$ 494	$ 11,105	$ -	$ 11,599	0.08%

	Three months ended June 30, 2024				
	Term Extensions	Payment Deferral and Term Extensions	New loan	Total	Percentage of Total Loans
			(In Thousands)		
Commercial, financial and agricultural	$ 2,504	$ 1,014	$ -	$ 3,518	0.03%
Real estate - construction	-	-	-	-	-%
Owner-occupied commercial	-	1,158	-	1,158	0.01%
1-4 family mortgage	-	43	-	43	-%
Non-owner occupied commercial	-	-	-	-	-%
Total	$ 2,504	$ 2,215	$ -	$ 4,719	0.04%

	Six months ended June 30, 2024				
	Term Extensions	Payment Deferral and Term Extensions	New loan	Total	Percentage of Total Loans
			(In Thousands)		
Commercial, financial and agricultural	$ 2,504	$ 1,014	$ 429	$ 3,947	0.03%
Real estate - construction	-	-	-	-	-%
Owner-occupied commercial	-	1,158	-	1,158	0.01%
1-4 family mortgage	-	43	106	149	-%
Non-owner occupied commercial	-	-	-	-	-%
Total	$ 2,504	$ 2,215	$ 535	$ 5,254	0.04%

The following table summarizes the financial impacts of loan modifications made to borrowers experiencing financial difficulty during the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30, 2025	
	Term Extensions (In months)	Total Payment Deferral (In Thousands)
Commercial, financial and agricultural	3	$ -
Real estate - construction	-	-
Owner-occupied commercial	-	-
1-4 family mortgage	-	-
Non-owner occupied commercial	-	-

	Six Months Ended June 30, 2025	
	Term Extensions (In months)	Total Payment Deferral (In Thousands)
Commercial, financial and agricultural	3	$ -
Real estate - construction	-	-
Owner-occupied commercial	3	132
1-4 family mortgage	-	-
Non-owner occupied commercial	-	-

	Three Months Ended June 30, 2024	
	Term Extensions (In months)	Total Payment Deferral (In Thousands)
Commercial, financial and agricultural	3 to 60	$ 125
Real estate - construction	-	-
Owner-occupied commercial	60	16
1-4 family mortgage	121	2
Non-owner occupied commercial	-	-

	Six Months Ended June 30, 2024	
	Term Extensions (In months)	Total Payment Deferral (In Thousands)
Commercial, financial and agricultural	3 to 60	$ 125
Real estate - construction	-	-
Owner-occupied commercial	60	16
1-4 family mortgage	3 to 121	2
Non-owner occupied commercial	-	-

There was one loan modified on or after June 30, 2024, past due greater than 30 days or on non-accrual as of June 30, 2025.

As of June 30, 2025, the Company did not have any loans made to borrowers experiencing financial difficulty that were modified during the first or second quarters of 2025 that subsequently defaulted. For purposes of this disclosure, default is defined as 90 days past due and still accruing or placement on nonaccrual status. Beginning in the second quarter of 2024, the policy surrounding the definition of borrowers experiencing financial difficulty was refined.

NOTE 6 - LEASES

The Company leases space under non-cancelable operating leases for several of its banking offices and certain office equipment. The leases have remaining terms up to 14 years. At June 30, 2025, the Company had lease right-of-use assets and lease liabilities totaling $23.7 million and $24.7 million, respectively, compared to $26.1 million and $27.1 million, respectively, at December 31, 2024, which are reflected in other assets and other liabilities, respectively, in the Company's Consolidated Balance Sheets.

Maturities of operating lease liabilities are as follows:

	June 30, 2025 (In Thousands)
2025 (remaining)	$ 2,755
2026	4,862
2027	4,223
2028	3,361
2029	2,795
thereafter	10,963
Total lease payments	28,958
Less: imputed interest	(4,264)
Present value of operating lease liabilities	$ 24,694

As of June 30, 2025, the weighted average remaining term of operating leases and the weighted average discount rate used in the measurement of operating lease liabilities was 7.6 years and 3.81%, respectively, compared to 7.9 years and 3.74%, respectively, as of June 30, 2024.

Operating cash flows related to leases were $1.5 million and $3.0 million for the three and six months ended June 30, 2025, respectively, compared to $1.4 million and $2.8 million for the three and six months ended June 30, 2024, respectively.

Lease costs during the three and six months ended June 30, 2025 and June 30, 2024 were as follows (in thousands):

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024
Operating lease cost	$ 1,491	$ 1,401
Short-term lease cost	18	-
Variable lease cost	225	220
Sublease income	(5)	(5)
Net lease cost	$ 1,729	$ 1,616

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Operating lease cost	$ 2,982	$ 2,795
Short-term lease cost	34	-
Variable lease cost	452	433
Sublease income	(11)	(11)
Net lease cost	$ 3,457	$ 3,217

NOTE 7 - EMPLOYEE AND DIRECTOR BENEFITS

Stock Incentive Plan

The Company had a stock incentive plan as described below. The compensation cost that has been charged to earnings for the plan was approximately $836,000 and $1.7 million for the three and six months ended June 30, 2025, respectively, and $879,000 and $1.8 million for the three and six months ended June 30, 2024, respectively.

The Company's 2009 Amended and Restated Stock Incentive Plan authorizes the grant of up to 5,550,000 shares and allows for the issuance of Stock Appreciation Rights, Restricted Stock, Stock Options, Non-stock Share Equivalents, Performance Shares or Performance Units. The plan allows for the grant of incentive stock options and non-qualified stock options, and option awards are granted with an exercise price equal to the fair market value of the Company's common stock at the date of grant. The maximum term of the options granted under the plan is ten years.

The following table summarizes stock option activity during the six months ended June 30, 2025 and 2024:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (In Thousands)
Six Months Ended June 30, 2025:				
Outstanding at January 1, 2025	80,450	$ 26.03	1.9	$ 4,723
Exercised	(27,950)	16.80	-	1,697
Outstanding at June 30, 2025	52,500	$ 30.95	2.3	$ 2,444
Exercisable at June 30, 2025	52,500	$ 30.95	2.3	$ 2,444
Six Months Ended June 30, 2024:				
Outstanding at January 1, 2024	165,800	$ 24.35	2.9	$ 7,211
Exercised	(23,050)	16.20	0.7	6,261
Outstanding at June 30, 2024	142,750	$ 25.67	2.6	$ 5,507
Exercisable at June 30, 2024	127,250	$ 23.54	2.0	$ 5,014

As of June 30, 2025, there were no unvested options.

Restricted Stock and Performance Shares

The Company periodically grants restricted stock awards that vest upon time-based service conditions. Dividend payments are made during the vesting period. The value of restricted stock is determined to be the current value of the Company's stock, and this total value will be recognized as compensation expense over the vesting period. As of June 30, 2025, there was $6.1 million of total unrecognized compensation cost related to unvested time-based restricted stock. The cost is expected to be recognized evenly over the remaining 2.5 years of the restricted stock's vesting period.

The Company periodically grants performance shares that give plan participants the opportunity to earn between 0% and 150% of the number of performance shares granted based on achieving certain performance metrics. The number of performance shares earned is determined by reference to the Company's total shareholder return relative to a peer group of other publicly traded banks and bank holding companies during the performance period. The performance period is generally three years starting on the grant date. The fair value of performance shares are determined using a Monte Carlo simulation model on the grant date. As of June 30, 2025, there was $1.1 million of total unrecognized compensation cost related to unvested performance shares. As of June 30, 2025, non-vested performance shares had a weighted average remaining time to vest of 1.5 years.

	Restricted Stock		Performance Shares	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Six Months Ended June 30, 2025:				
Non-vested at January 1, 2025	145,837	$ 66.35	30,065	$ 70.45
Granted	31,756	84.82	6,316	84.64
Additional performance share attainment	-	-	290	89.68
Vested	(34,299)	61.51	(5,813)	75.28
Forfeited	(1,266)	79.02	(1,295)	57.52
Non-vested at June 30, 2025	142,028	$ 71.54	29,563	$ 73.29
Six Months Ended June 30, 2024:				
Non-vested at January 1, 2024	158,298	$ 58.08	31,944	$ 58.25
Granted	27,361	66.72	8,894	67.90
Vested	(45,619)	45.49	(18,653)	37.05
Forfeited	(3,989)	71.34	(2,318)	72.18
Non-vested at June 30, 2024	136,051	$ 63.65	19,867	$ 80.85

NOTE 8 - DEPOSITS

Deposits at June 30, 2025 and December 31, 2024 were as follows:

	June 30, 2025	December 31, 2024
	(In Thousands)	
Noninterest-bearing demand	$ 2,632,058	$ 2,619,687
Interest-bearing checking	9,770,135	9,511,161
Savings	102,209	102,088
Time deposits, $250,000 and under	388,278	367,216
Time deposits, over $250,000	969,639	943,307
	$ 13,862,319	$ 13,543,459

The scheduled maturities of time deposits at June 30, 2025 were as follows:

	(In Thousands)
2025	$ 1,037,732
2026	280,585
2027	26,803
2028	2,779
2029	8,903
Thereafter	1,115
Total	$ 1,357,917

NOTE 9 - DERIVATIVES

The Company has entered into forward loan sale commitments with secondary market investors to deliver loans on a “best efforts delivery” basis, which do not meet the definition of a derivative instrument. When a rate is committed to a borrower, it is based on the best price that day and locked with the investor for the customer for a 30-day period. In the event the loan is not delivered to the investor, the Company has no risk or exposure with the investor. The interest rate lock commitments related to loans that are originated for later sale are classified as derivatives. The fair values of the Company’s agreements with investors and rate lock commitments to customers as of June 30, 2025 and December 31, 2024 were not material.

NOTE 10 - RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 requires enhanced income tax disclosures primarily related to the rate reconciliation and income taxes paid information to provide more transparency by requiring (i) consistent categories and greater disaggregation of information in the rate reconciliation table and (ii) income taxes paid, net of refunds, to be disaggregated by jurisdiction based on an established threshold. This ASU is effective for public business entities for annual periods beginning after December 15, 2024. The Company adopted the standard as of January 1, 2025, using the retrospective method of adoption, and will evaluate the level of disclosure in the rate reconciliation, as well as determining if a quantitative threshold is established requiring additional information of the reconciling items in our annual report of the December 31, 2025 consolidated financial statements.

NOTE 11 - RECENT ACCOUNTING PRONOUNCEMENTS

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*. The amendments improve the disclosures about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation, amortization, and depletion) in commonly presented expense captions (such as cost of sales and research and development). The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. We are currently evaluating the impact these changes may have on our consolidated financial statements.

NOTE 12 - FAIR VALUE MEASUREMENT

Measurement of fair value under U.S. GAAP establishes a hierarchy that prioritizes observable and unobservable inputs used to measure fair value, as of the measurement date, into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.
Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and also considers counterparty credit risk in its assessment of fair value.

Debt Securities. Where quoted prices are available in an active market, securities are classified within Level 1 of the hierarchy. Level 1 securities include highly liquid government securities such as U.S. Treasuries and exchange-traded equity securities. For securities traded in secondary markets for which quoted market prices are not available, the Company generally relies on pricing services provided by independent vendors. Such independent pricing services are to advise the Company on the carrying value of the securities available for sale portfolio. As part of the Company's procedures, the price provided from the service is evaluated for reasonableness given market changes. When a questionable price exists, the Company investigates further to determine if the price is valid. If needed, other market participants may be utilized to determine the correct fair value. The Company has also reviewed and confirmed its determinations in discussions with the pricing service regarding their methods of price discovery. Securities measured with these techniques are classified within Level 2 of the hierarchy and often involve using quoted market prices for similar securities, pricing models or discounted cash flow calculations using inputs observable in the market where available. Examples include U.S. government agency securities, mortgage-backed securities, obligations of states and political subdivisions, and certain corporate, asset-backed and other securities. In cases where Level 1 or Level 2 inputs are not available, as in the case of certain corporate securities, these securities are classified in Level 3 of the hierarchy.

Derivative instruments. The fair values of derivatives are determined based on a valuation pricing model using readily available observable market parameters such as interest rate curves, adjusted for counterparty credit risk. These measurements are classified as level 2 within the valuation hierarchy.

Loans Individually Evaluated. Loans individually evaluated are measured and reported at fair value when full payment under the loan terms is not probable. Loans individually evaluated are carried at the present value of expected future cash flows using the loan's existing rate in a discounted cash flow calculation, or the fair value of the collateral if the loan is collateral-dependent. Expected cash flows are based on internal inputs reflecting expected default rates on contractual cash flows. This method of estimating fair value does not incorporate the exit-price concept of fair value described in ASC 820-10 and would generally result in a higher value than the exit-price approach. For loans measured using the estimated fair value of collateral less costs to sell, fair value is generally determined based on appraisals performed by certified and licensed appraisers using inputs such as absorption rates, capitalization rates and market comparables, adjusted for estimated costs to sell. Management modifies the appraised values, if needed, to take into account recent developments in the market or other factors, such as changes in absorption rates or market conditions from the time of valuation, and anticipated sales values considering management's plans for disposition. Such modifications to the appraised values could result in lower valuations of such collateral. Estimated costs to sell are based on current amounts of disposal costs for similar assets. These measurements are classified as Level 3 within the valuation hierarchy. Loans individually evaluated are subject to nonrecurring fair value adjustment upon initial recognition or subsequent individually evaluation. A portion of the ACL is allocated to loans individually evaluated if the value of such loans is deemed to be less than the unpaid balance. The range of fair value adjustments and weighted average adjustment as of June 30, 2025 was 0% to 70% and 29.8%, respectively. The range of fair value adjustments and weighted average adjustment as of December 31, 2024 was 0% to 75% and 25.5% respectively. Loans individually evaluated are reviewed and evaluated on at least a quarterly basis for additional impairment and adjusted accordingly based on the same factors identified above. The amount recognized to write-down individually evaluated loans that are measured at fair value on a nonrecurring basis was $1.2 million and $3.6 million during the three and six months ended June 30, 2025, respectively, and $4.8 million and $5.8 million during the three and six months ended June 30, 2024, respectively.

Other Real Estate Owned. Other real estate assets ("OREO") acquired through, or in lieu of, foreclosure are held for sale and are initially recorded at the lower of cost or fair value, less selling costs. Any write-downs to fair value at the time of transfer to OREO are charged to the ACL subsequent to foreclosure. Values are derived from appraisals of underlying collateral and discounted cash flow analysis. Appraisals are performed by certified and licensed appraisers. Subsequent to foreclosure, valuations are updated periodically and assets are marked to current fair value, not to exceed the new cost basis. In the determination of fair value subsequent to foreclosure, management also considers other factors or recent developments, such as changes in absorption rates and market conditions from the time of valuation, and anticipated sales values considering management's plans for disposition, which could result in adjustment to lower the property value estimates indicated in the appraisals. The range of fair value adjustments and weighted average adjustment as of June 30, 2025 was 20% to 47% and 35.7%, respectively. The range of fair value adjustments and weighted average adjustment as of December 31, 2024 was 19% to 47% and 22.7%, respectively. These measurements are classified as Level 3 within the valuation hierarchy. A net gain (loss) on the sale and write-downs of OREO and repossessed assets of ($17,000) and $301,000 was recognized for the three and six months ended June 30, 2025, respectively, and a loss of $1,000 and $96,000 for the three and six months ended June 30, 2024. These charges were for write-downs in the value of OREO subsequent to foreclosure and losses on the disposal of OREO. OREO is classified within Level 3 of the hierarchy.

There were two residential real estate loans with an aggregate balance of $132,000 foreclosed and classified as OREO as of June 30, 2025, compared to three residential real estate loan foreclosures for $450,000 as of December 31, 2024.

There was one residential real estate loan with a balance of $82,422 in the process of foreclosure as of June 30, 2025 and December 31, 2024.

The following table presents the Company's financial assets carried at fair value on a recurring basis as of June 30, 2025 and December 31, 2024. There were no liabilities measured at fair value on a recurring basis as of June 30, 2025 and December 31, 2024.

	Fair Value Measurements at June 30, 2025 Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets Measured on a Recurring Basis:		(In Thousands)		
Available for sale debt securities:				
U.S. Treasury securities	$ 701,482	$ -	$ -	$ 701,482
Mortgage-backed securities	-	178,151	-	178,151
State and municipal securities	-	9,639	-	9,639
Corporate debt	-	338,579	-	338,579
Total available-for-sale debt securities	701,482	526,369	-	1,227,851
Total assets at fair value	$ 701,482	$ 526,369	$ -	$ 1,227,851

	Fair Value Measurements at December 31, 2024 Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets Measured on a Recurring Basis:		(In Thousands)		
Available for sale debt securities:				
U.S. Treasury securities	$ 617,486	$ -	$ -	$ 617,486
Government agency securities	-	-	-	-
Mortgage-backed securities	-	219,274	-	219,274
State and municipal securities	-	9,517	-	9,517
Corporate debt	-	315,123	-	315,123
Total available-for-sale debt securities	617,486	543,914	-	1,161,400
Total assets at fair value	$ 617,486	$ 543,914	$ -	$ 1,161,400

The following table presents the Company's financial assets carried at fair value on a nonrecurring basis as of June 30, 2025 and December 31, 2024:

	Fair Value Measurements at June 30, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets Measured on a Nonrecurring Basis:	(In Thousands)			
Loans individually evaluated	$ -	$ -	$ 94,792	$ 94,792
Other real estate owned and repossessed assets	-	-	311	311
Total assets at fair value	$ -	$ -	$ 95,103	$ 95,103

	Fair Value Measurements at December 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets Measured on a Nonrecurring Basis:	(In Thousands)			
Loans individually evaluated	$ -	$ -	$ 95,667	$ 95,667
Other real estate owned and repossessed assets	-	-	2,531	2,531
Total assets at fair value	$ -	$ -	$ 98,198	$ 98,198

There were no liabilities measured at fair value on a non-recurring basis as of June 30, 2025 and December 31, 2024.

In the case of the debt securities portfolio, the Company monitors the portfolio to ascertain when transfers between levels have been affected. For the six months ended June 30, 2025, there were no transfers out of Level 3 into Level 2.

The table below includes a roll forward of the balance sheet amounts for the three and six months ended June 30, 2025 and June 30, 2024 (including the change in fair value) for financial instruments classified by the Company within Level 3 of the valuation hierarchy measured at fair value on a recurring basis including changes in fair value due in part to observable factors that are part of the valuation methodology:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
	Available-for-sale Securities	Available-for-sale Securities	Available-for-sale Securities	Available-for-sale Securities
	(In Thousands)			
Fair value, beginning of period	$ -	$ -	$ -	$ 6,860
Transfers into Level 3	-	-	-	-
Total realized gains included in income	-	-	-	-
Changes in unrealized gains/losses included in other comprehensive income for assets and liabilities still held at period-end	-	-	-	(1,329)
Purchases	-	-	-	-
Transfers out of Level 3	-	-	-	(5,531)
Fair value, end of period	$ -	$ -	$ -	$ -

The fair value of a financial instrument is the current amount that would be exchanged in a sale between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Company's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. Current U.S. GAAP excludes certain financial instruments and all nonfinancial instruments from its fair value disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Company.

The estimated fair values of the Company's financial instruments not measured at fair value on a recurring or non-recurring basis as of June 30, 2025 and December 31, 2024 were as follows:

June 30, 2025	Carrying / Notional Amount	Estimated Fair Value	Quoted Market Prices in an Active Market (Level 1)	Models with Significant Observable Market Parameters (Level 2)	Models with Significant Unobservable Market Parameters (Level 3)
			(In Thousands)		
Financial Assets:					
Cash and cash equivalents	$ 1,704,904	$ 1,704,904	$ 1,704,904	$ -	$ -
Held to maturity U.S. Treasury securities	249,511	236,162	236,162	-	-
Federal funds sold	6,000	6,000	-	6,000	-
Held to maturity debt securities	436,641	393,443	-	393,443	-
Mortgage loans held for sale	22,131	22,131	-	22,131	-
Restricted equity securities	12,156	12,156	-	12,156	-
Held to maturity debt securities	500	500	-	-	500
Loans, net	13,062,601	12,776,566	-	-	12,776,566
Financial Liabilities:					
Deposits	$ 13,862,319	$ 13,860,040	$ -	$ 13,860,040	$ -
Federal funds purchased	1,599,135	1,599,135	-	1,599,135	-
Other borrowings	64,747	59,669	-	59,669	-

December 31, 2024	Carrying / Notional Amount	Estimated Fair Value	Quoted Market Prices in an Active Market (Level 1)	Models with Significant Observable Market Parameters (Level 2)	Models with Significant Unobservable Market Parameters (Level 3)
			(In Thousands)		
Financial Assets:					
Cash and cash equivalents	$ 2,375,589	$ 2,375,589	$ 2,375,589	$ -	$ -
Held to maturity U.S. Treasury securities	249,403	229,771	229,771	-	-
Federal funds sold	1,045	1,045	-	1,045	-
Held to maturity debt securities	465,200	409,475	-	409,475	-
Mortgage loans held for sale	9,211	9,211	-	9,211	-
Restricted equity securities	11,300	11,300	-	11,300	-
Held to maturity debt securities	250	250	-	-	250
Loans, net	12,441,378	12,013,721	-	-	12,013,721
Financial Liabilities:					
Deposits	$ 13,543,459	$ 13,540,438	$ -	$ 13,540,438	$ -
Federal funds purchased	1,993,728	1,993,728	-	1,993,728	-
Other borrowings	64,743	59,130	-	59,130	-

NOTE 13 - SEGMENT REPORTING

The Bank's revenue is primarily derived from the business of banking. The Bank's financial performance is monitored on consolidated basis by senior management, which is considered to be the Bank's CODM. Senior Management includes the following officers of the Company: Chairman of the Board and Chief Executive Officer; President; Executive Vice President, Chief Financial Officer; Executive Vice President, Chief Operating Officer. Financial performance is reported to the CODM monthly, and the primary measure of performance is net income, net interest income, non-interest income, and key operating expenses. The allocation of resources throughout the Bank is based on consolidated profitability and efficiency metrics. The presentation of financial performance to the CODM is consistent with amounts and financial statement line items shown in the Bank's consolidated balance sheets and consolidated statements of income. Additionally, the Bank's significant expenses are adequately segmented by category and amount in the consolidated statements of income to include all significant items when considering both qualitative and quantitative factors. Significant expenses of the Company include salaries and employee benefits, equipment and occupancy expense, third-party processing and other services, and professional services.

All of the Bank’s financial results are similar and considered by management to be aggregated into one reportable operating segment. While the Company has assigned certain management responsibilities by region and business line, the Bank’s CODM evaluates financial performance on a Bank-wide basis. The majority of the Bank’s revenue is from the business of banking, and the Bank’s regions have similar economic characteristics, products, services and customers. Accordingly, all of the Bank’s operations are considered by management to be aggregated in one reportable operating segment.

Because we report on a single segment basis, our financial statements may not be directly comparable to financial institutions that present multiple reportable segments. Should future organizational changes in our management structure or business model necessitate more detailed segment disclosures, we will revise our segment reporting accordingly. As of the date of these consolidated financial statements, no such changes have occurred, and management continues to evaluate performance on a consolidated entity basis.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is designed to provide a better understanding of various factors relating to the results of operations and financial condition of ServisFirst Bancshares, Inc. (the “Company”) and its wholly-owned subsidiary, ServisFirst Bank (the “Bank”). This discussion is intended to supplement and highlight information contained in the accompanying unaudited consolidated balance sheets as of June 30, 2025 and December 31, 2024 and consolidated statements of income for the three and six months ended June 30, 2025 and June 30, 2024.

Forward-Looking Statements

Statements in this document that are not historical facts, including, but not limited to, statements concerning future operations, results or performance, are hereby identified as “forward-looking statements” for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”) and Section 27A of the Securities Act of 1933, as amended (the “Securities Act”). The words “believe,” “expect,” “anticipate,” “project,” “plan,” “intend,” “will,” “could,” “would,” “might” and similar expressions often signify forward-looking statements. Such statements involve inherent risks and uncertainties. The Company cautions that such forward-looking statements, wherever they occur in this quarterly report or in other statements attributable to the Company, are necessarily estimates reflecting the judgment of the Company’s senior management and involve risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Such forward-looking statements should, therefore, be considered in light of various factors that could affect the accuracy of such forward-looking statements, including, but not limited to: general economic conditions, especially in the credit markets and in the Southeast; the impact of tariffs and trade wars on general economic conditions, the performance of capital markets; changes in interest rates, yield curves and interest rate spread relationships; changes in accounting and tax principles, policies or guidelines; changes in legislation or regulatory requirements; changes as a result of our reclassification as a large financial institution by the FDIC; changes in our loan portfolio and the deposit base; possible changes in laws and regulations and governmental monetary and fiscal policies, including, but not limited to, the Federal Reserve policies in connection with continued or re-emerging inflationary pressures and the ability of the U.S. Congress to increase the U.S. statutory debt limit as needed; computer hacking or cyber-attacks resulting in unauthorized access to confidential or proprietary information; substantial, unexpected or prolonged changes in the level or cost of liquidity; the cost and other effects of legal and administrative cases and similar contingencies; possible changes in the creditworthiness of customers and the possible impairment of the collectability of loans and the value of collateral; the effect of natural disasters, such as hurricanes and tornados, in our geographic markets; and increased competition from both banks and nonbank financial institutions. The foregoing list of factors is not exhaustive. For discussion of these and other risks that may cause actual results to differ from expectations, please refer to “Cautionary Note Regarding Forward Looking Statements” and “Risk Factors” in our most recent Annual Report on Form 10-K, our subsequent Quarterly Reports on Form 10-Q and our other SEC filings. If one or more of the factors affecting our forward-looking information and statements proves incorrect, then our actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking information and statements. Accordingly, you should not place undue reliance on any forward-looking statements, which speak only as of the date made. The Company assumes no obligation to update or revise any forward-looking statements that are made from time to time.

Business

We are a bank holding company under the Bank Holding Company Act of 1956 and are headquartered in Birmingham, Alabama. Our wholly-owned subsidiary, ServisFirst Bank, an Alabama banking corporation, provides commercial banking services through full-service banking offices located in Alabama, Florida, Georgia, North and South Carolina, Tennessee, and Virginia. We also operate a loan production office in Florida. Through the Bank, we originate commercial, consumer and other loans and accept deposits, provide electronic banking services, such as online and mobile banking, including remote deposit capture, deliver treasury and cash management services and provide correspondent banking services to other financial institutions.

Our principal business is to accept deposits from the public and to make loans and other investments. Our principal sources of funds for loans and investments are demand, time, savings, and other deposits. Our principal sources of income are interest and fees collected on loans, interest and dividends collected on other investments and service charges. Our principal expenses are interest paid on savings and other deposits, interest paid on our other borrowings, employee compensation, office expenses and other overhead expenses.

Second Quarter Highlights

- Diluted earnings per common share of $1.12 for the second quarter of 2025, an increase of 17.9%, from the second quarter of 2024.
- Average loans of $13.01 billion for the second quarter of 2025, an increase of $947.1 million, or 7.9%, from the second quarter of 2024.
- Average deposits of $13.90 billion for the second quarter of 2025, an increase of $1.03 billion, or 8.0%, from the second quarter of 2024.
- Net interest income of $131.7 million for the second quarter of 2025, increased $25.8 million, or 24.4%, from the second quarter of 2024.
- Net interest margin of 3.10% for second quarter of 2025, increased 31 basis points from 2.79% in the second quarter of 2024.

Overview

As of June 30, 2025, we had consolidated total assets of $17.38 billion, an increase of $27.0 million, or 0.2%, from $17.35 billion at December 31, 2024. Total loans were $13.23 billion, an increase of $626.7 million, or 5.0%, from $12.61 billion at December 31, 2024. Total deposits were $13.86 billion, an increase of $318.9 million, or 2.4%, from $13.54 billion at December 31, 2024.

Net income and net income available to common stockholders was $61.4 million for the quarter ended June 30, 2025, compared to net income and net income available to common stockholders of $52.1 million for the second quarter of 2024. Basic and diluted earnings per common share were both $1.12 for the three months ended June 30, 2025, compared to $0.96 and $0.95, respectively, in the corresponding period in 2024.

Net income and net income available to common stockholders was $124.6 million for the six months ended June 30, 2025, compared to net income of $102.2 million and net income available to common stockholders of $102.1 million for the six months ended June 30, 2024. Basic and diluted earnings per common share were both $2.28 for the six months ended June 30, 2025, compared to $1.87 for both for the corresponding period in 2024. Changes in income and expenses are more fully explained in “Results of Operations” below.

Performance Ratios

The following table presents selected ratios of our results of operations for the three and six months ended June 30, 2025, and 2024.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Return on average assets	1.40%	1.34%	1.42%	1.30%
Return on average common stockholders' equity	14.56%	14.08%	15.08%	13.96%
Dividend payout ratio	30.27%	31.44%	30.27%	31.44%
Net interest margin (1)	3.10%	2.79%	3.01%	2.73%
Efficiency ratio (2)	33.46%	37.31%	34.22%	39.42%
Average stockholders' equity to average total assets	9.59%	9.48%	9.43%	9.29%

(1) Net interest margin is the net yield on interest earning assets and is the difference between the interest yield earned on interest-earning assets and interest rate paid on interest-bearing liabilities, divided by average earning assets.
(2) Efficiency ratio is the result of noninterest expense divided by the sum of net interest income and noninterest income.

Financial Condition

Cash and Cash Equivalents

At June 30, 2025, we had $6.0 million in federal funds sold, compared to $1.0 million at December 31, 2024. We also maintain balances at the Federal Reserve Bank of Atlanta, which earn interest. At June 30, 2025, we had $1.22 billion in balances at the Federal Reserve, compared to $2.25 billion at December 31, 2024.

Investment Securities

Debt securities available-for-sale totaled $1.23 billion at June 30, 2025 and $1.16 billion at December 31, 2024. During the second quarter of 2025, the Company sold available-for-sale mortgage-backed securities with an amortized cost basis of $70.5 million and recorded a pre-tax loss of $8.6 million, as a result of a portfolio restructuring. Debt securities held to maturity totaled $686.7 million at June 30, 2025 and $714.9 million at December 31, 2024. We had paydowns of $51.0 million on mortgage-backed securities and government agencies, maturities of $67.5 million on municipal bonds, corporate securities and treasury securities, and calls of $41.6 million on corporate securities during the six months ended June 30, 2025. We purchased $35.7 million in mortgage-backed securities, $147.8 million in U.S. Treasury securities, $3.0 million in municipal bonds, and $61.1 million in corporate securities during the six months ended June 30, 2025. For a tabular presentation of debt securities available for sale and held to maturity at June 30, 2025 and December 31, 2024, see “Note 4 – Securities” in our Notes to Consolidated Financial Statements.

The objective of our investment policy is to invest funds not otherwise needed to meet our loan demand to earn the maximum return, yet still maintain sufficient liquidity to meet fluctuations in our loan demand and deposit structure. In doing so, we seek to balance the market and credit risks against the potential investment return, make investments compatible with the pledge requirements of any deposits of public funds, maintain compliance with regulatory investment requirements, and assist certain public entities with their financial needs. The investment committee has full authority over the investment portfolio and makes decisions on purchases and sales of securities. The entire portfolio, along with all investment transactions occurring since the previous board of directors meeting, is reviewed by the board at each monthly meeting. The investment policy allows portfolio holdings to include short-term securities purchased to provide us with needed liquidity and longer-term securities purchased to generate level income for us over periods of interest rate fluctuations.

All investment securities in an unrealized loss position as of June 30, 2025 continue to perform as scheduled. We have evaluated the securities and have determined that the decline in fair value, relative to its amortized cost, is not due to credit-related factors. In addition, we have the ability to hold these securities within the portfolio until maturity or until the value recovers, and we believe that it is not likely that we will be required to sell these securities prior to recovery. We continue to monitor all of our securities with a high degree of scrutiny. There can be no assurance that we will not conclude in future periods that conditions existing at that time indicate some or all of its securities may be sold or would require a charge to earnings as a provision for credit losses in such periods.

The Company does not invest in collateralized debt obligations (“CDOs”). As of June 30, 2025, we had $338.6 million of bank holding company subordinated notes. If rated, all such bonds were rated BBB or better by Kroll Bond Rating Agency at the time of our initial investment. All other corporate bonds had a Standard and Poor’s or Moody’s rating of A-1 or better when purchased. The total investment portfolio has a combined average credit rating of AA as of June 30, 2025.

The carrying value of investment securities pledged to secure public funds on deposit and for other purposes as required by law was $1.29 billion and $1.43 billion as of June 30, 2025 and December 31, 2024, respectively.

Loans

We had total loans of $13.23 billion, an increase of $626.7 million, or 5.0%, from $12.61 billion at December 31, 2024. Real estate construction loans and non-owner occupied commercial loans increased $224.7 million and $266.7 million, respectively, compared to the prior year period, and $136.0 million and $79.1 million, respectively, during the current quarter. These loan categories comprised the majority of total loan portfolio growth in both comparative periods.

The following table details our loan portfolio and the percentage composition by type at June 30, 2025 and 2024:

	June 30, 2025	June 30, 2024
	(Dollars in Thousands)	
Commercial, financial and agricultural	$ 2,966,191	$ 2,935,577
Real estate - construction	1,735,405	1,510,677
Real estate - mortgage:		
Owner-occupied commercial	2,557,711	2,399,644
1-4 family mortgage	1,561,461	1,350,428
Non-owner occupied commercial	4,338,697	4,072,007
Total real estate - mortgage	8,457,869	7,822,079
Consumer	73,095	64,447
Total Loans	13,232,560	12,332,780
Less: Allowance for credit losses	(169,959)	(158,092)
Net Loans	$ 13,062,601	$ 12,174,688
Commercial, financial and agricultural	22.42%	23.80%
Real estate - construction	13.11	12.25
Real estate - mortgage:		
Owner-occupied commercial	19.33	19.46
1-4 family mortgage	11.80	10.95
Non-owner occupied commercial	32.79	33.02
Total real estate - mortgage	63.92	63.43
Consumer	0.55	0.52
Total Loans	100.00%	100.00%

The table below summarizes the Company’s commercial real estate portfolio at June 30, 2025 as segregated by industry concentrations based on North American Industry Classification System:

	2025	
	Balance	Percent of Total

	(Dollars in Thousands)	
Owner Occupied Real Estate		
Retail Trade	$ 534,045	7.7%
Other Services (except Public Administration)	310,706	4.5
Health Care and Social Assistance	303,419	4.4
Accommodation and Food Services	204,563	3.0
Manufacturing	194,174	2.8
Professional, Scientific, and Technical Services	179,378	2.6
Real Estate and Rental and Leasing	146,612	2.1
Wholesale Trade	139,153	2.0
All Other Owner Occupied Real Estate	545,661	7.9
Total Owner Occupied Real Estate	$ 2,557,711	37.1%
Non-Owner Occupied Real Estate		
Multifamily Permanent	$ 1,296,583	18.8%
Shopping or Retail Center	605,302	8.8
Hotel or Motel	654,057	9.5
Office Building	446,495	6.5
Nursing Home or Assisted Living Facility	323,896	4.7
Office Warehouse	212,651	3.1
Warehouse	100,713	1.5
Self-Storage Facility	149,503	2.2
Gas Station or Convenience Store	107,242	1.6
Restaurant	68,213	1.0
All Other Income Property	374,042	5.4
Total Non-Owner Occupied Real Estate	$ 4,338,697	62.9%
Total Commercial Real Estate	$ 6,896,408	100.0%

The table below summarizes the Company's commercial real estate portfolio at June 30, 2025 as segregated by geographic region in which the property is located:

	2025	
	Balance	Percent of Total
	(Dollars in Thousands)	
State:		
Alabama	$ 2,207,097	32.0%
Florida	1,833,139	26.6
Georgia	809,452	11.7
North Carolina	195,633	2.8
South Carolina	349,096	5.1
Tennessee	612,333	8.9
Virginia	87,080	1.3
Other	802,578	11.6
Total commercial real estate loans	$ 6,896,408	100.0%

Asset Quality

The Company assesses the adequacy of its ACL at the end of each calendar quarter. The level of ACL is based on the Company's evaluation of historical default and loss experience, current and projected economic conditions, asset quality trends, known and inherent risks in the portfolio, adverse situations that may affect the borrowers' ability to repay a loan, the estimated value of any underlying collateral, composition of the loan portfolio and other relevant factors. The ACL is increased by a provision for credit losses, which is charged to expense, and reduced by charge-offs, net of recoveries. We believe the ACL is adequate to absorb all expected future losses to be recognized over the contractual life of the loans in the portfolio.

Loans with similar risk characteristics are evaluated in pools and, depending on the nature of each identified pool, the Company utilizes a discounted cash flow ("DCF"), probability of default / loss given default ("PD/LGD") or remaining life method. The historical loss experience estimate by pool is then adjusted by forecast factors that are quantitatively related to the Company's historical credit loss experience, such as national unemployment rates and gross domestic product. Losses are predicted over a period of time determined to be reasonable and supportable, and at the end of the reasonable and supportable period losses are reverted to long term historical averages. The reasonable and supportable period and reversion period are re-evaluated each quarter by the Company and are dependent on the current economic environment among other factors. See "Note 1 – General" in the Notes to Consolidated Financial Statements included in Item 1. Consolidated Financial Statements elsewhere in this report.

The expected credit losses for each loan pool are then adjusted for changes in qualitative factors not inherently considered in the quantitative analyses. The qualitative adjustments either increase or decrease the quantitative model estimation. The Company considers factors that are relevant within the qualitative framework which include the following: lending policy, changes in nature and volume of loans, staff experience, changes in volume and trends of problem loans, concentration risk, trends in underlying collateral values, external factors, quality of loan review system and other economic conditions.

Loans that no longer share similar risk characteristics with the collectively evaluated pools are excluded from the collective evaluation and expected credit losses are estimated on an individual basis. Individual evaluations are performed for nonaccrual loans, loans rated substandard, and certain modified loans. The allowance for credit losses on these individually evaluated loans is calculated using methods, such as the estimated fair value of underlying collateral, observable market prices of comparable debt, or the present value of expected future cash flows.

	As of and for the Three Months Ended June 30,		As of and for the Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)			
Total loans outstanding, net of unearned income	$ 13,232,560	$ 12,332,780	$ 13,232,560	$ 12,332,780
Average loans outstanding, net of unearned income	$ 13,010,105	$ 12,062,973	$ 12,859,947	$ 11,901,985
Allowance for credit losses at beginning of period	165,034	155,892	164,458	153,317
Charge-offs:				
Commercial, financial and agricultural loans	6,849	3,355	9,263	5,197
Real estate - construction	-	-	46	-
Real estate - mortgage	580	119	4,152	186
Consumer loans	73	108	133	206
Total charge-offs	7,502	3,582	13,594	5,589
Recoveries:				
Commercial, financial and agricultural loans	959	406	1,129	605
Real estate - construction	-	8	-	8
Real estate - mortgage	1	-	1	6
Consumer loans	58	15	84	24
Total recoveries	1,018	429	1,214	643
Net charge-offs	6,484	3,153	12,380	4,946
Provision for credit losses on loans	11,409	5,353	17,881	9,721
Allowance for credit losses on loans at period end	$ 169,959	$ 158,092	$ 169,959	$ 158,092
Allowance for credit losses on loans to period end loans	1.28%	1.28%	1.28%	1.28%
Net charge-offs to average loans	0.20%	0.10%	0.19%	0.08%

June 30, 2025	Amount	Percentage of loans in each category to total loans
	(In Thousands)	
Commercial, financial and agricultural	$ 53,022	22.31%
Real estate - construction	46,423	13.11%
Owner-occupied commercial	20,927	19.33%
1-4 family mortgage	14,944	11.80%
Non-owner occupied commercial	32,189	32.79%
Consumer	2,454	0.66%
Total	$ 169,959	100.00%

December 31, 2024	Amount	Percentage of loans in each category to total loans
	(In Thousands)	
Commercial, financial and agricultural	$ 55,330	22.77%
Real estate - construction	38,597	11.81%
Owner-occupied commercial	22,302	20.21%
1-4 family mortgage	14,096	11.46%
Non-owner occupied commercial	31,328	33.17%
Consumer	2,805	0.58%
Total	$ 164,458	100.00%

Nonperforming Assets

Total nonperforming loans at June 30, 2025, which include nonaccrual loans and loans 90 or more days past due and still accruing, increased $29.7 million, or 69.9%, to $72.2 million from $42.5 million at December 31, 2024. Of this total, nonaccrual loans of $68.6 million at June 30, 2025 represented a net increase of $29.1 million from nonaccrual loans at December 31, 2024. The majority of the year-over-year increase in non-performing assets was attributable to two relationships, both of which are secured by real estate. Excluding credit card accounts, there were seven loans 90 or more days past due and still accruing totaling $3.4 million at June 30, 2025, compared to no loans at December 31, 2024. Loans made to borrowers experiencing financial difficulty that were modified during the three months ended June 30, 2025 and 2024 were $0.5 million and $4.7 million, respectively.

The following table details our nonperforming assets at June 30, 2025 and December 31, 2024:

	June 30, 2025		December 31, 2024	
	Balance	Number of Loans	Balance	Number of Loans
	(Dollar Amounts In Thousands)			
Nonaccrual loans:				
Commercial, financial and agricultural	$ 36,410	58	$ 25,692	54
Real estate - construction	7,446	4	-	-
Real estate - mortgage:				
Owner-occupied commercial	12,115	17	8,744	14
1-4 family mortgage	4,613	27	3,051	24
Non-owner occupied commercial	7,264	5	1,259	2
Total real estate - mortgage	23,992	49	13,054	40
Consumer	771	2	755	1
Total Nonaccrual loans:	$ 68,619	113	$ 39,501	95
90+ days past due and accruing:				
Commercial, financial and agricultural	$ 1,108	1	$ 38	4
Real estate - construction	-	-	661	2
Real estate - mortgage:				
Owner-occupied commercial	-	-	-	-
1-4 family mortgage	2,426	6	2,240	7
Non-owner occupied commercial	-	-	-	-
Total real estate - mortgage	2,426	6	2,240	7
Consumer	15	19	26	21
Total 90+ days past due and accruing:	$ 3,549	26	$ 2,965	34
Total Nonperforming Loans:	$ 72,168	139	$ 42,466	129
Plus: Other real estate owned and repossessions	311	6	2,531	8
Total Nonperforming Assets	$ 72,479	145	$ 44,997	137
Ratios:				
Nonperforming loans to total loans	0.55%		0.34%	
Nonperforming assets to total loans plus other real estate owned and repossessions	0.55%		0.36%	
Nonperforming assets plus restructured accruing loans to total loans plus other real estate owned and repossessions	0.55%		0.36%	

OREO and repossessed assets at June 30, 2025 were $311,000, a decrease of $2.2 million, or 87.7%, from $2.5 million at December 31, 2024. The following table summarizes OREO and repossessed asset activity for the six months ended June 30, 2025 and 2024:

	Six Months Ended June 30,	
	2025	2024
	(In thousands)	
Balance at beginning of period	$ 2,531	$ 995
Transfers from loans and capitalized expenses	235	1,148
Proceeds from sales	(2,756)	(780)
Write-downs / net gain (loss) on sales	301	95
Balance at end of period	$ 311	$ 1,458

The balance of nonperforming assets can fluctuate due to changes in economic conditions. We have established a policy to discontinue accruing interest on a loan (i.e., place the loan on nonaccrual status) after it has become 90 days delinquent as to payment of principal or interest, unless the loan is considered to be well-collateralized and is actively in the process of collection. In addition, a loan will be placed on nonaccrual status before it becomes 90 days delinquent if management believes that the collection of interest is not expected. Interest previously accrued but uncollected on such loans is reversed and charged against current income when the receivable is determined to be uncollectible. Interest income on nonaccrual loans is recognized only as received. If we believe that a loan will not be collected in full, we will increase the ACL to reflect management's estimate of any potential exposure or loss. Generally, payments received on nonaccrual loans are applied directly to principal.

Deposits

We rely on increasing our deposit base to fund loan and other asset growth. Each of our markets is highly competitive. We compete for local deposits by offering attractive products with competitive rates. We expect to have a higher average cost of funds for local deposits than competitor banks due to our lack of an extensive branch network. Our management's strategy is to offset the higher cost of funding with a lower level of operating expense and firm pricing discipline for loan products. We have promoted electronic banking services by providing them without charge and by offering in-bank customer training. At June 30, 2025, our total deposits were $13.86 billion, an increase of $318.9 million, or 2.4%, from $13.54 billion at December 31, 2024.

The following table summarizes balances of our deposits and the percentage of each type to the total at June 30, 2025 and December 31, 2024:

	June 30, 2025		December 31, 2024	
Noninterest-bearing demand	$ 2,632,058	18.99%	$ 2,619,687	19.34%
Interest-bearing demand	2,066,938	14.91%	2,753,210	20.33%
Money market	7,703,197	55.57%	6,757,951	49.90%
Savings	102,209	0.74%	102,088	0.75%
Time deposits, $250,000 and under	388,278	2.80%	367,216	2.71%
Time deposits, over $250,000	969,639	6.99%	943,307	6.97%
	$ 13,862,319	100.00%	$ 13,543,459	100.00%

At June 30, 2025 and December 31, 2024, we estimate that we had approximately $9.27 billion and $9.03 billion, respectively, in uninsured deposits, which are the portion of deposit accounts that exceed the FDIC insurance limit. The uninsured deposit data for 2025 and 2024 reflects the deposit insurance impact of "combined ownership segregation" of escrow and other accounts at an aggregate level but does not reflect an evaluation of all of the account styling distinctions that would determine the availability of deposit insurance to individual accounts based on FDIC regulations.

Time Deposits Otherwise Uninsured With a Maturity of:	Portion of Time Deposits in Excess of Insurance Limit June 30, 2025 (In Thousands)
3 months or less	$ 233,945
Over 3 months through 6 months	98,420
Over 6 months through 12 months	62,766
Over 12 months	43,751
Total	$ 438,882

Other Borrowings

Our borrowings consist of federal funds purchased and subordinated notes payable. We had $1.60 billion and $1.99 billion at June 30, 2025 and December 31, 2024, respectively, in federal funds purchased from correspondent banks that are clients of our correspondent banking unit. The average rate paid on these borrowings was 4.49% for the quarter ended June 30, 2025. Other borrowings consist of the following:

- $30.0 million of the Company's 4.5% Subordinated Notes due November 8, 2027, which were issued in a private placement in November 2017 and pay interest semi-annually. The Notes may be prepaid by the Company; and

- $34.75 million of the Company's 4% Subordinated Notes due October 21, 2030, which were issued in a private placement in October 2020 and pay interest semi-annually. The Notes may not be prepaid by the Company prior to October 21, 2025.

Liquidity

Liquidity is defined as our ability to generate sufficient cash to fund current loan demand, deposit withdrawals, and other cash demands and disbursement needs, and otherwise to operate on an ongoing basis.

The retention of existing deposits and attraction of new deposit sources through new and existing customers is critical to our liquidity position. If our liquidity was to decline due to deposit withdrawals, we have procedures that provide for certain actions under varying liquidity conditions. These actions include borrowing from existing correspondent banks, selling or participating loans, and curtailing loan commitments and funding. At June 30, 2025, our liquid assets, represented by cash and due from banks, federal funds sold and unpledged available-for-sale securities, totaled $2.32 billion. The Bank had loans pledged to both the FHLB and the Federal Reserve Bank of Atlanta, which provided approximately $3.24 billion and $2.21 billion, respectively, in available funding. The Bank's policy limits on brokered deposits would allow for up to $4.34 billion in available funding for brokered deposits. Additionally, the Bank had approximately $312.0 million in available unused federal funds lines of credit with regional banks, subject to certain restrictions and collateral requirements, to meet short term funding needs.

Our management meets on a quarterly basis to review sources and uses of funding to determine the appropriate strategy to ensure an appropriate level of liquidity. At the current time, our long-term liquidity needs primarily relate to funds required to support loan originations and commitments and deposit withdrawals. Our regular sources of funding are from the growth of our deposit base, repayment of principal and interest on loans, the sale of loans and the renewal of time deposits. In addition, we have issued debt as described above under "Borrowings" and have various other sources of liquidity as discussed herein. We believe these sources of funding are adequate to meet both our immediate (within the next 12 months) and our longer term anticipated funding needs. However, we may need additional funding if we are able to maintain our current growth rate into the future.

We are subject to general FDIC guidelines that require a minimum level of liquidity. Management believes our liquidity ratios meet or exceed these guidelines.

The following table illustrates, during the periods presented, the mix of our funding sources and the assets in which those funds are invested as a percentage of our average total assets for the period indicated. Average assets totaled $17.63 billion and $17.67 billion, respectively, for the three and six months ended June 30, 2025.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Sources of Funds:				
Deposits:				
Non-interest-bearing	14.9%	16.2%	14.7%	16.4%
Interest-bearing	63.8	65.4	63.6	65.0
Federal funds purchased	10.5	7.6	10.9	8.2
Long term debt and other borrowings	0.4	0.4	0.4	0.4
Other liabilities	0.7	0.6	0.8	0.4
Equity capital	9.7	9.8	9.6	9.6
Total sources	100.0%	100.0%	100.0%	100.0%
Uses of Funds:				
Loans	73.9%	76.8%	72.8%	75.3%
Securities	11.2	12.4	11.1	12.5
Interest-bearing balances with banks	11.1	7.6	12.7	9.1
Federal funds sold	0.7	0.3	0.4	0.2
Other assets	3.1	2.9	3.0	2.9
Total uses	100.0%	100.0%	100.0%	100.0%

Capital Adequacy

Total stockholders' equity attributable to us at June 30, 2025 was $1.72 billion, or 9.91% of total assets. At December 31, 2024, total stockholders' equity attributable to us was $1.62 billion, or 9.32% of total assets.

As of June 30, 2025, our most recent notification from the FDIC categorized us as well-capitalized under the regulatory framework for prompt corrective action. To remain categorized as well-capitalized, we must maintain minimum Common Equity Tier 1, Tier 1 risk-based, total risk-based, and Tier 1 leverage ratios as disclosed in the table below. Our management believes that we are well-capitalized under the prompt corrective action provisions as of June 30, 2025.

The following table sets forth (i) the capital ratios required by the FDIC and the Alabama Banking Department's leverage ratio requirement and (ii) our actual ratios, not including the applicable 2.5% capital conservation buffer, of capital to total regulatory or risk-weighted assets, as of June 30, 2025, December 31, 2024 and June 30, 2024:

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of June 30, 2025			(Dollars in Thousands)			
CET 1 Capital to Risk-Weighted Assets:						
Consolidated	$ 1,723,922	11.38%	$ 681,869	4.50%	N/A	N/A
ServisFirst Bank	1,783,330	11.77%	681,818	4.50%	$ 984,848	6.50%
Tier 1 Capital to Risk-Weighted Assets:						
Consolidated	1,724,422	11.38%	909,159	6.00%	N/A	N/A
ServisFirst Bank	1,783,830	11.77%	909,091	6.00%	1,212,121	8.00%
Total Capital to Risk-Weighted Assets:						
Consolidated	1,941,783	12.81%	1,212,212	8.00%	N/A	N/A
ServisFirst Bank	1,954,444	12.90%	1,212,121	8.00%	1,515,151	10.00
Tier 1 Capital to Average Assets:						
Consolidated	1,724,422	9.78%	705,531	4.00%	N/A	N/A
ServisFirst Bank	1,783,830	10.11%	705,511	4.00%	881,889	5.00%
As of December 31, 2024						
CET 1 Capital to Risk-Weighted Assets:						
Consolidated	$ 1,634,837	11.42%	$ 644,441	4.50%	N/A	N/A
ServisFirst Bank	1,694,412	11.83%	644,402	4.50%	$ 930,803	6.50%
Tier 1 Capital to Risk-Weighted Assets:						
Consolidated	1,635,337	11.42%	859,255	6.00%	N/A	N/A
ServisFirst Bank	1,694,912	11.84%	859,203	6.00%	1,145,604	8.00%
Total Capital to Risk-Weighted Assets:						
Consolidated	1,847,146	12.90%	1,145,673	8.00%	N/A	N/A
ServisFirst Bank	1,859,978	12.99%	1,145,604	8.00%	1,432,005	10.00%
Tier 1 Capital to Average Assets:						
Consolidated	1,635,337	9.59%	682,238	4.00%	N/A	N/A
ServisFirst Bank	1,694,912	9.94%	682,223	4.00%	852,779	5.00%
As of June 30, 2024						
CET 1 Capital to Risk-Weighted Assets:						
Consolidated	$ 1,542,982	10.93%	$ 635,346	4.50%	N/A	N/A
ServisFirst Bank	1,599,370	11.33%	635,291	4.50%	$ 917,642	6.50%
Tier 1 Capital to Risk-Weighted Assets:						
Consolidated	1,543,482	10.93%	847,127	6.00%	N/A	N/A
ServisFirst Bank	1,599,870	11.33%	847,054	6.00%	1,129,406	8.00%
Total Capital to Risk-Weighted Assets:						
Consolidated	1,755,391	12.43%	1,129,503	8.00%	N/A	N/A
ServisFirst Bank	1,759,040	12.46%	1,129,406	8.00%	1,411,757	10.00%
Tier 1 Capital to Average Assets:						
Consolidated	1,543,482	9.81%	629,272	4.00%	N/A	N/A
ServisFirst Bank	1,599,870	10.17%	629,231	4.00%	786,539	5.00%

We are a legal entity separate and distinct from the Bank. Our principal source of cash flow, including cash flow to pay dividends to our stockholders, is dividends the Bank pays to us as the Bank's sole shareholder. Statutory and regulatory limitations apply to the Bank's payment of dividends to us as well as our payment of dividends to our stockholders. The requirement that a bank holding company must serve as a source of strength to its subsidiary banks also results in the position of the Federal Reserve that a bank holding company should not maintain a level of cash dividends to its stockholders that places undue pressure on the capital of its bank subsidiaries or that can be funded only through additional borrowings or other arrangements that may undermine the bank holding company's ability to serve as such a source of strength. Our ability to pay dividends is also subject to the provisions of Delaware corporate law.

The Alabama Banking Department also regulates the Bank's dividend payments. Under Alabama law, a state-chartered bank may not pay a dividend in excess of 90% of its net earnings until the Bank's surplus is equal to at least 20% of its capital (our Bank's surplus currently exceeds 20% of its capital). Moreover, our Bank is also required by Alabama law to obtain the prior approval of the Superintendent of Banks ("Superintendent") for its payment of dividends if the total of all dividends declared by the Bank in any calendar year will exceed the total of (i) the Bank's net earnings (as defined by statute) for that year, plus (ii) its retained net earnings for the preceding two years, less any required transfers to surplus. In addition, no dividends, withdrawals or transfers may be made from the Bank's surplus without the prior written approval of the Superintendent.

The Bank's payment of dividends may also be affected or limited by other factors, such as the requirement to maintain adequate capital above regulatory guidelines. The federal banking agencies have indicated that paying dividends that deplete a depository institution's capital base to an inadequate level would be an unsafe and unsound banking practice. Under the Federal Deposit Insurance Corporation Improvement Act of 1991, a depository institution may not pay any dividends if payment would cause it to become undercapitalized or if it already is undercapitalized. Moreover, the federal agencies have issued policy statements that provide that bank holding companies and insured banks should generally only pay dividends out of current operating earnings. If, in the opinion of the federal banking regulators, the Bank were engaged in or about to engage in an unsafe or unsound practice, the federal banking regulators could require, after notice and a hearing, that the Bank stop or refrain from engaging in the questioned practice.

Off-Balance Sheet Arrangements

In the normal course of business, we are a party to financial instruments with off-balance sheet risk to meet the financing needs of our customers. These financial instruments include commitments to extend credit beyond current fundings, credit card arrangements, standby letters of credit, and financial guarantees. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in our balance sheet. The contract or notional amounts of those instruments reflect the extent of involvement we have in those particular financial arrangements. All such credit arrangements bear interest at variable rates and we have no such credit arrangements that bear interest at fixed rates.

Our exposure to credit loss for commitments to extend credit, credit card arrangements and standby letters of credit is represented by the contractual or notional amount of these instruments in the event of non-performance by the other party to such financial instrument. We use the same credit policies in making commitments and conditional obligations as we do for on-balance sheet instruments.

As part of our mortgage operations, we originate and sell certain loans to investors in the secondary market. We continue to experience a manageable level of investor repurchase demands. For loans sold, we have an obligation to either repurchase the outstanding principal balance of a loan or make the purchaser whole for the economic benefits of a loan if it is determined that the loans sold were in violation of representations and warranties made by the Bank at the time of the sale. Representations and warranties typically include those made regarding loans that had missing or insufficient file documentation or loans obtained through fraud by borrowers or other third parties such as appraisers.

Financial instruments whose unfunded contract amounts represent credit risk at June 30, 2025 are as follows:

	June 30, 2025 (In Thousands)
Commitments to extend credit	$ 3,573,996
Credit card arrangements	385,015
Standby letters of credit	122,496
	$ 4,081,507

Commitments to extend credit beyond current funded amounts are agreements to lend to a customer as long as there is no violation of any condition established in the applicable loan agreement. Such commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. We evaluate each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by us upon extension of credit is based on our management's credit evaluation. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment and income-producing commercial properties.

Standby letters of credit are conditional commitments issued by us to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing, and similar transactions. All letters of credit are due within one year or less of the original commitment date. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

Federal funds lines of credit are uncommitted lines issued to downstream correspondent banks for the purpose of providing liquidity to them. The lines are unsecured, and we have no obligation to sell federal funds to the correspondent, nor does the correspondent have any obligation to request or accept purchases of federal funds from us.

Results of Operations

Summary of Net Income

Net income and net income available to common stockholders was $61.4 million for the quarter ended June 30, 2025, compared to net income and net income available to common stockholders of $52.1 million for the second quarter of 2024. Net income and net income available to common stockholders was $124.6 million for the six months ended June 30, 2025, compared to net income of $102.2 million and net income available to common stockholders of $102.1 million for the six months ended June 30, 2024. The increase in net income for both the three and six months ended months ended June 30, 2025 compared to 2024 was primarily driven by growth in net interest income, partially offset by decreases in non-interest income.

Basic and diluted earnings per common share were both $1.12 for the three months ended June 30, 2025, compared to $0.96 and $0.95, respectively, in the corresponding period in 2024. Basic and diluted earnings per common share were both $2.28 for the six months ended June 30, 2025, compared to $1.87 for both for the corresponding period in 2024. Return on average assets for the three and six months ended June 30, 2025 was 1.4% and 1.42% compared to 1.34% and 1.30%, respectively, for the corresponding periods in 2024. Return on average common stockholders' equity for the three and six months ended June 30, 2025 was 14.56% and 15.08%, respectively, compared to 14.08% and 13.96%, respectively, for the corresponding periods in 2024.

Net Interest Income and Net Interest Margin Analysis

Net interest income is the difference between the income earned on interest-earning assets and interest paid on interest-bearing liabilities used to support such assets. The major factors that affect net interest income are changes in volumes, the yield on interest-earning assets and the cost of interest-bearing liabilities. Management's ability to respond to changes in interest rates by effective asset-liability management techniques is critical to maintaining the stability of the net interest margin and the momentum of our primary source of earnings.

Taxable-equivalent net interest income increased $25.9 million, or 24.4%, to $131.8 million for the three months ended June 30, 2025 compared to $105.9 million for the corresponding period in 2024, and increased $47.0 million, or 22.6%, to $255.4 million for the six months ended June 30, 2025 compared to $208.4 million for the corresponding period in 2024. The taxable-equivalent yield on interest-earning assets decreased to 5.80% for the three months ended June 30, 2025 from 6.01% for the corresponding period in 2024, and decreased to 5.76% for the six months ended June 30, 2025 from 5.94% for the corresponding period in 2024. The yield on loans for the three months ended June 30, 2025 was 6.37% compared to 6.48% for the corresponding period in 2024, and 6.34% compared to 6.44% for the six months ended June 30, 2025 and June 30, 2024, respectively. The cost of total interest-bearing liabilities decreased to 3.50% for the three months ended June 30, 2025 compared to 4.23% for the corresponding period in 2024, and decreased to 3.55% for the six months ended June 30, 2025 from 4.23% for the corresponding period in 2024. Net interest margin for the three months ended June 30, 2025 was 3.10% compared to 2.79% for the corresponding period in 2024, and 3.01% for the six months ended June 30, 2025 compared to 2.73% for the corresponding period in 2024.

The Federal Reserve Bank's targeted federal funds rate was 5.25 – 5.50% at June 30, 2024 compared to its current range as of June 30, 2025 of 4.25 – 4.50%.

The following tables show, for the three and six months ended June 30, 2025 and June 30, 2024, the average balances of each principal category of our assets, liabilities and stockholders' equity, and an analysis of net interest revenue. The accompanying tables reflect changes in our net interest margin as a result of changes in the volume and rate of our interest-earning assets and interest-bearing liabilities for the same periods. Changes as a result of mix or the number of days in the periods have been allocated to the volume and rate changes in proportion to the relationship of the absolute dollar amounts of the change in each. The tables are presented on a taxable-equivalent basis where applicable:

Average Balance Sheets and Net Interest Analysis
On a Fully Taxable-Equivalent Basis
For the Three Months Ended June 30,
(In thousands, except Average Yields and Rates)

	2025			2024		
	Average Balance	Interest Earned / Paid	Average Yield / Rate	Average Balance	Interest Earned / Paid	Average Yield / Rate
Assets:						
Interest-earning assets:						
Loans, net of unearned income (1)(2):						
Taxable	$ 12,979,759	$ 206,040	6.37%	$ 12,045,743	$ 194,128	6.48%
Tax-exempt (3)	30,346	417	5.51	17,230	89	2.08
Total loans, net of unearned income	13,010,105	206,457	6.37	12,062,973	194,217	6.48
Mortgage loans held for sale	11,739	153	5.23	6,761	103	6.13
Investment securities:						
Taxable	1,965,089	16,562	3.37	1,936,818	16,102	3.33
Tax-exempt (3)	492	6	4.88	1,209	11	3.64
Total investment securities (4)	1,965,581	16,568	3.37	1,938,027	16,113	3.33
Federal funds sold	124,303	1,592	5.14	38,475	538	5.62
Restricted equity securities	12,146	201	6.64	11,290	201	7.16
Interest-bearing balances with banks	1,952,479	21,754	4.47	1,183,482	16,390	5.57
Total interest-earning assets	$ 17,076,353	$ 246,725	5.80%	$ 15,241,008	$ 227,562	6.01%
Non-interest-earning assets:						
Cash and due from banks	109,506			96,646		
Net fixed assets and equipment	59,944			59,653		
Allowance for credit losses, accrued interest and other assets	380,700			300,521		
Total assets	$ 17,626,503			$ 15,697,828		
Liabilities and stockholders' equity:						
Interest-bearing liabilities:						
Interest-bearing demand deposits	$ 2,222,000	$ 9,860	1.78%	$ 2,227,527	$ 15,765	2.85%
Savings deposits	101,506	413	1.63	105,955	451	1.71
Money market accounts	7,616,747	69,739	3.67	6,810,799	75,597	4.46
Time deposits	1,321,404	13,476	4.09	1,157,528	12,859	4.47
Total interest-bearing deposits	11,261,657	93,488	3.33	10,301,809	104,672	4.09
Federal funds purchased	1,855,860	20,773	4.49	1,193,190	16,307	5.50
Other borrowings	64,750	687	4.26	64,738	687	4.27
Total interest-bearing liabilities	$ 13,182,267	$ 114,948	3.50%	$ 11,559,737	$ 121,666	4.23%
Non-interest-bearing liabilities:						
Non-interest-bearing demand deposits	2,633,552			2,560,245		
Other liabilities	119,829			89,417		
Stockholders' equity	1,716,232			1,536,013		
Accumulated other comprehensive loss	(25,377)			(47,584)		
Total liabilities and stockholders' equity	$ 17,626,503			$ 15,697,828		
Net interest income		$ 131,777			$ 105,896	
Net interest spread			2.30%			1.78%
Net interest margin			3.10%			2.79%

(1) Non-accrual loans are included in average loan balances in all periods. Loan fees of $4,430 and $3,317 are included in interest income in the second quarter of 2025 and 2024, respectively.
(2) Amortization of acquired loan premiums of $51 and $46 is included in interest income in 2025 and 2024, respectively.
(3) Interest income and yields are presented on a fully taxable equivalent basis using a tax rate of 21%.
(4) Unrealized losses of $(36,381) and $(66,663) are excluded from the yield calculation in the second quarter of 2025 and 2024, respectively.

	For the Three Months Ended June 30, 2025 Compared to 2024 Increase (Decrease) in Interest Income and Expense Due to Changes in:		
	Volume	Rate	Total
		(In Thousands)	
Interest-earning assets:			
Loans, net of unearned income			
Taxable	$ 15,309	$ (3,397)	$ 11,912
Tax-exempt	103	225	328
Total loans, net of unearned income	15,412	(3,172)	12,240
Mortgages held for sale	67	(17)	50
Debt securities:			
Taxable	262	198	460
Tax-exempt	(8)	3	(5)
Total debt securities	254	201	455
Federal funds sold	1,105	(51)	1,054
Restricted equity securities	14	(15)	(1)
Interest-bearing balances with banks	9,095	(3,731)	5,364
Total interest-earning assets	$ 25,947	$ (6,785)	$ 19,162
Interest-bearing liabilities:			
Interest-bearing demand deposits	$ (39)	$ (5,866)	$ (5,905)
Savings	(18)	(20)	(38)
Money market accounts	8,416	(14,274)	(5,858)
Time deposits	1,750	(1,133)	617
Total interest-bearing deposits	10,109	(21,293)	(11,184)
Federal funds purchased	7,864	(3,398)	4,466
Other borrowed funds	-	-	-
Total interest-bearing liabilities	17,973	(24,691)	(6,718)
Increase in net interest income	$ 7,974	$ 17,906	$ 25,880

Our growth in loans and interest-bearing balances with banks drove the favorable volume component change. The rate component was favorable as loan yields decreased 11 basis points and average rates paid on interest-bearing liabilities decreased 73 basis points.

Average Balance Sheets and Net Interest Analysis
On a Fully Taxable-Equivalent Basis
For the Six Months Ended June 30,
(In thousands, except Average Yields and Rates)

	2025			2024		
	Average Balance	Interest Earned / Paid	Average Yield / Rate	Average Balance	Interest Earned / Paid	Average Yield / Rate
Assets:						
Interest-earning assets:						
Loans, net of unearned income (1)(2):						
Taxable	$ 12,832,237	$ 402,656	6.35%	$ 11,884,567	$ 380,867	6.44%
Tax-exempt (3)	27,710	720	5.25	17,418	308	3.56
Total loans, net of unearned income	12,859,947	403,376	6.34	11,901,985	381,175	6.44
Mortgage loans held for sale	9,249	233	5.09	5,765	169	5.90
Investment securities:						
Taxable	1,949,999	32,583	3.38	1,975,056	32,082	3.27
Tax-exempt (3)	540	14	5.24	1,252	23	3.69
Total debt securities (4)	1,950,539	32,597	3.38	1,976,308	32,105	3.27
Federal funds sold	63,325	1,614	5.15	37,887	1,078	5.72
Restricted equity securities	11,805	411	7.04	10,854	397	7.36
Interest-bearing balances with banks	2,237,845	49,655	4.49	1,435,730	39,340	5.94
Total interest-earning assets	$ 17,132,710	$ 487,886	5.76%	$ 15,368,529	$ 454,264	5.94%
Non-interest-earning assets:						
Cash and due from banks	109,025			97,730		
Net fixed assets and equipment	59,789			59,889		
Allowance for credit losses, accrued interest and other assets	366,570			301,891		
Total assets	$ 17,668,094			$ 15,828,039		
Liabilities and stockholders' equity:						
Interest-bearing liabilities:						
Interest-bearing demand deposits	$ 2,349,154	$ 24,322	2.09%	$ 2,227,302	$ 31,427	2.84%
Savings deposits	101,750	817	1.62	106,439	919	1.74
Money market accounts	7,476,611	135,367	3.66	6,825,800	150,870	4.44
Time deposits	1,341,370	27,727	4.18	1,160,866	25,522	4.42
Total interest-bearing deposits	11,268,885	188,233	3.38	10,320,407	208,738	4.07
Federal funds purchased	1,924,929	42,885	4.50	1,308,009	35,769	5.50
Other borrowings	64,750	1,374	4.29	64,737	1,374	4.27
Total interest-bearing liabilities	$ 13,258,564	$ 232,492	3.55%	$ 11,693,153	$ 245,881	4.23%
Non-interest-bearing liabilities:						
Non-interest-bearing demand deposits	2,603,209			2,600,448		
Other liabilities	140,282			63,390		
Stockholders' equity	1,693,443			1,518,491		
Accumulated other comprehensive loss	(27,404)			(47,443)		
Total liabilities and stockholders' equity	$ 17,668,094			$ 15,828,039		
Net interest income		$ 255,394			$ 208,383	
Net interest spread			2.21%			1.71%
Net interest margin			3.01%			2.73%

(1) Non-accrual loans are included in average loan balances in all periods. Loan fees of $4,430 and $3,317 are included in interest income in the second quarter of 2025 and 2024, respectively.
(2) Amortization of acquired loan premiums of $51 and $46 is included in interest income in 2025 and 2024, respectively.
(3) Interest income and yields are presented on a fully taxable equivalent basis using a tax rate of 21%.
(4) Unrealized losses of $(36,381) and $(66,663) are excluded from the yield calculation in the second quarter of 2025 and 2024, respectively.

	For the Six Months Ended June 30, 2025 Compared to 2024 Increase (Decrease) in Interest Income and Expense Due to Changes in:		
	Volume	Rate	Total
		(In Thousands)	
Interest-earning assets:			
Loans, net of unearned income			
Taxable	$ 28,979	$ (7,190)	$ 21,789
Tax-exempt	229	183	412
Total loans, net of unearned income	29,208	(7,007)	22,201
Mortgages held for sale	90	(26)	64
Debt securities:			
Taxable	(435)	936	501
Tax-exempt	(16)	7	(9)
Total debt securities	(451)	943	492
Federal funds sold	656	(119)	537
Restricted equity securities	1	13	14
Interest-bearing balances with banks	18,754	(8,439)	10,315
Total interest-earning assets	$ 48,258	$ (14,635)	$ 33,623
Interest-bearing liabilities:			
Interest-bearing demand deposits	$ 1,622	$ (8,727)	$ (7,105)
Savings	(40)	(62)	(102)
Money market accounts	13,308	(28,811)	(15,503)
Time deposits	3,740	(1,535)	2,205
Total interest-bearing deposits	18,630	(39,135)	(20,505)
Federal funds purchased	14,534	(7,418)	7,116
Other borrowed funds	-	-	-
Total interest-bearing liabilities	33,164	(46,553)	(13,389)
Increase in net interest income	$ 15,094	$ 31,918	$ 47,012

Our growth in loans and interest-bearing balances with banks drove the favorable volume component change. While the overall rate component was favorable, loan yields decreased by 10 basis points, and the average rate paid on interest-bearing liabilities decreased by 68 basis points.

Tax Credit Investments

The Company invests in certain affordable housing projects throughout its market area as a means of supporting local communities. The Company receives tax credits related to these investments, for which it typically acts as a limited partner and therefore does not exert control over the operating or financial policies of the partnerships. The Company typically provides financing during the construction and development of the properties. Tax credits are subject to recapture by taxing authorities based on compliance features required to be met at the project level. The Company's maximum potential exposure to losses relative to investments in variable interest entities ("VIEs") is generally limited to the sum of the outstanding balance, future funding commitments and any related loans to the entity, exclusive of any potential tax recapture associated with the investments. Loans to these entities are underwritten in substantially the same manner as the Company's other loans and are generally secured. The Company invests as a limited partner in certain projects through the New Market Tax Credit program, which is a Federal financial program aimed to stimulate business and real estate investment in underserved communities via a federal tax credit. The Company has investments in and future funding commitments related to private equity and certain other equity method investments. The risk exposure relating to such commitments is generally limited to the amount of investments and future funding commitments made. The following table summarizes certain tax credit and certain equity investments.

	Balance Sheet Location	June 30, 2025	December 31, 2024
		(In Thousands)	
Investments in affordable housing projects and other qualified tax credits:			
Carrying amount	Other assets	$ 87,420	$ 75,705
Amount of future funding commitments including in carrying amount	Other liabilities	30,483	39,502
Lending exposures	Loans	54,904	77,579
SBIC and certain other equity method investments:			
Carrying amount	Other assets	6,627	4,642
Amount of future funding commitments not included in carrying amount	N/A	12,823	12,308

The following table presents a summary of tax credits and amortization expense associated with those investments accounted for using the proportional amortization method for the period indicated.

	Income Statement Location	Three months ended June 30, 2025	2024
		(In Thousands)	
Income tax credits and other income tax benefits	Income tax expense	$ 3,341	$ 812
Amortization Expense	Income tax expense	2,564	633

	Income Statement Location	Six months ended June 30, 2025	2024
		(In Thousands)	
Income tax credits and other income tax benefits	Income tax expense	$ 6,682	$ 1,624
Amortization Expense	Income tax expense	5,127	1,266

Provision for Credit Losses

The provision for credit losses on loans was $11.4 million for the three months ended June 30, 2025, an increase of $6.1 million from $5.4 million for the three months ended June 30, 2024, and was $17.9 million for the six months ended June 30, 2025, an increase of $8.2 million from $9.7 million for the six months ended June 30, 2024. The ACL as of June 30, 2025, March 31, 2025, and June 30, 2024, totaled $170.0 million, $165.0 million, and $158.1 million, or 1.28%, 1.28%, and 1.28% of loans, net of unearned income, respectively. Annualized net credit charge-offs to quarter-to-date average loans were 0.20% for the three months ended June 30, 2025, a 10 basis points increase compared to 0.10% for the second quarter of 2024. Annualized net credit charge-offs to year-to-date average loans were 0.19% for the six months ended June 30, 2025, compared to 0.08% for the corresponding period in 2024. Nonperforming loans decreased to $72.5 million, or 0.55% of total loans, at June 30, 2025 from $74.7 million, or 0.57% of total loans at December 31, 2024, and increased compared to $36.4 million, or 0.28% of total loans, at June 30, 2024. See the section captioned "Asset Quality" located elsewhere in this item for additional discussion related to provision for credit losses.

Noninterest Income

	Three Months Ended June 30, 2025	2024	$ change	% change	Six Months Ended June 30, 2025	2024	$ change	% change
Non-interest income:								
Service charges on deposit accounts	$ 2,671	$ 2,293	$ 378	16.5%	$ 5,229	$ 4,443	$ 786	17.7%
Mortgage banking	1,323	1,379	(56)	(4.1)%	1,936	2,057	(121)	(5.9)%
Credit card income	2,119	2,333	(214)	(9.2)%	4,087	4,488	(401)	(8.9)%
Securities losses	(8,563)	-	(8,563)	NM%	(8,563)	-	(8,563)	NM%
Increase in cash surrender value life insurance	2,126	2,058	68	3.3%	4,263	5,289	(1,026)	(19.4)%
Other operating income	745	828	(83)	(10.0)%	1,746	1,427	319	22.4%
Total non-interest income	$ 421	$ 8,891	$ (8,470)	(95.3)%	$ 8,698	$ 17,704	$ (9,006)	(50.9)%

Noninterest income totaled $421,000 for the three months ended June 30, 2025, a decrease of $8.5 million, or 95.3%, compared to the corresponding period in 2024, and totaled $8.7 million for the six months ended June 30, 2025, a decrease of $9.0 million, or 50.9%, from to the corresponding period in 2024. The decrease in non-interest income is due to an $8.6 million loss on the sale of available-for-sale debt securities during the second quarter of 2025 as a result of restructuring the portfolio. Service charges on deposit accounts increased $378,000, or 16.5%, to $2.7 million for the three months ended June 30, 2025 compared to $2.3 million for the same period in 2024, and increased $786,000, or 17.7%, to $5.2 million for the six months ended June 30, 2025 compared to $4.4 million for the same period in 2024. Mortgage banking income decreased $56,000, or 4.1%, to $1.3 million for the three months ended June 30, 2025 compared to $1.4 million for the same period in 2024, and decreased $121,000, or 5.9%, to $1.9 million for the six months ended June 30, 2025 compared to $2.1 million for the same period in 2024. The increase in mortgage banking revenue was primarily attributed to a combination of favorable market conditions and increased staffing levels. Net credit card income decreased $214,000, or 9.2%, to $2.1 million for the three months ended June 30, 2025 compared to $2.3 million for the same period in 2024, and decreased $401,000, or 8.9%, to $4.1 million for the six months ended June 30, 2025 compared to $4.5 million for the same period in 2024. Bank-owned life insurance ("BOLI") income increased $68,000, or 3.3%, to $2.1 million for the three months ended June 30, 2025 compared to $2.1 million for the same period in 2024, and decreased $1.0 million, or 19.4%, to $4.3 million for the six months ended June 30, 2025 compared to $5.3 million for the same period in 2024.. Other income decreased $83,000, or 10.0%, to $745,000 for the three months ended June 30, 2025 compared to $828,000 for the same period in 2024, and increased $319,000, or 22.4%, to $1.7 million for the six months ended June 30, 2025 compared to $1.4 million for the same period in 2024. Merchant service revenue increased $5,000, or .9%, to $600,000 for the three months ended June 30, 2025 compared to $595,000 for the same period in 2024, and increased $7,000, or .6%, to $1.1 million for the six months ended June 30, 2025 compared to $1.1 million for the same period in 2024.

Noninterest Expense

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	$ change	% change	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	$ change	% change
Non-interest expense:								
Salaries and employee benefits	$ 22,576	$ 24,213	$ (1,637)	(6.8)%	$ 45,455	$ 47,199	$ (1,744)	(3.7)%
Equipment and occupancy expense	3,523	3,567	(44)	(1.2)%	7,245	7,124	121	1.7%
Third party processing and other services	8,005	7,465	540	7.2%	15,743	14,631	1,112	7.6%
Professional services	1,904	1,741	163	9.4%	3,837	3,205	632	19.7%
FDIC and other regulatory assessments	2,753	2,202	551	25.0%	5,607	6,107	(500)	(8.2)%
OREO expense	27	7	20	285.7%	60	37	23	62.2%
Other operating expense	5,416	3,623	1,793	49.5%	12,364	10,818	1,546	14.3%
Total non-interest expense	$ 44,204	$ 42,818	$ 1,386	3.2%	$ 90,311	$ 89,121	$ 1,190	1.3%

Noninterest expense totaled $44.2 million for the three months ended June 30, 2025, an increase of $1.4 million, or 3.2%, compared to the corresponding period in 2024, and totaled $90.3 million for the six months ended June 30, 2025, an increase of $1.2 million, or 1.3%, from to the corresponding period in 2024.

Details of expense are as follows:

- Salary and benefit expense decreased $1.6 million, or 6.8%, to $22.6 million for the three months ended June 30, 2025 compared to $24.2 million for the same period in 2024, and decreased $1.7 million, or 3.7%, to $45.5 million for the six months ended June 30, 2025 compared to $47.2 million for the same period in 2024. The number of FTE employees increased by 34, or 5.4%, to 659 at June 30, 2025 compared to 625 at June 30, 2024.
- Third party processing and other services increased $540,000, or 7.2%, to $8.0 million for the three months ended June 30, 2025 compared to $7.5 million for the same period in 2024, and increased $1.1 million, or 7.6%, to $15.7 million for the six months ended June 30, 2025 compared to $14.6 million for the same period in 2024.
- Professional services expense increased $163,000, or 9.4%, to $1.9 million for the three months ended June 30, 2025 compared to $1.7 million for the same period in 2024, and increased $632,000, or 19.7%, to $3.8 million for the six months ended June 30, 2025 compared to $3.2 million for the same period in 2024.
- FDIC and other regulatory assessments increased $551,000, or 25.0%, to $2.8 million for the three months ended June 30, 2025 compared to $2.2 million for the same period in 2024, and decreased $500,000, or 8.2%, to $5.6 million for the six months ended June 30, 2025 compared to $6.1 million for the same period in 2024.
- Other operating expenses increased $1.8 million, or 49.5%, to $5.4 million for the three months ended June 30, 2025 compared to $3.6 million for the same period in 2024, and increased $1.5 million, or 14.3%, to $12.4 million for the six months ended June 30, 2025 compared to $10.8 million for the same period in 2024.

Income Tax Expense

Income tax expense was $15.2 million for the three months ended June 30, 2025 compared to $14.5 million for the same period in 2024, and was $31.1 million for the six months ended June 30, 2025, compared to $25.1 million for the same period in 2024. Our effective tax rate for the three and six months ended June 30, 2025 was 19.82% and 19.94%, respectively, compared to 21.71% and 19.70% for the corresponding periods in 2024, respectively. We recognized excess tax benefits as an income tax credit to our income tax expense from the exercise and vesting of stock options and restricted stock during the three and six months ended June 30, 2025 of $234,000 and $704,000, respectively, compared to no expense for the three months ended June 30, 2024 and $600,000 for the six months ended June 30, 2024, respectively. Our primary permanent differences are related to tax exempt income on securities, state income tax benefit on real estate investment trust dividends, various qualifying tax credits and change in cash surrender value of bank-owned life insurance.

We own real estate investment trusts for the purpose of holding and managing participations in residential mortgages and commercial real estate loans originated by the Bank. The trusts are wholly-owned subsidiaries of a trust holding company, which in turn is an indirect wholly-owned subsidiary of the Bank. The trusts earn interest income on the loans they hold and incur operating expenses related to their activities. They pay their net earnings, in the form of dividends, to the Bank, which receives a deduction for state income taxes.

Critical Accounting Estimates

The accounting principles we follow and our methods for applying these principles conform to U.S. generally accepted accounting principles ("GAAP") and to general practices within the banking industry. To prepare consolidated financial statements in conformity with GAAP, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and future results could differ. In management's opinion, certain accounting policies have a more significant impact than others on the Company's financial reporting. The allowance for credit losses and income taxes are particularly significant for the Company's financial reporting. Information concerning our accounting policies and critical accounting estimates with respect to these items is available in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024. There were no changes to the accounting policies for the allowance for credit losses or income taxes during the three and six months ended June 30, 2025.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Like all financial institutions, we are subject to market risk from changes in interest rates. Interest rate risk is inherent in the balance sheet due to the mismatch between the maturities of rate-sensitive assets and rate-sensitive liabilities. If rates are rising, and the level of rate-sensitive liabilities exceeds the level of rate-sensitive assets, the net interest margin will be negatively impacted. Conversely, if rates are falling, and the level of rate-sensitive liabilities is greater than the level of rate-sensitive assets, the impact on the net interest margin will be favorable. Managing interest rate risk is further complicated by the fact that all rates do not change at the same pace; in other words, short-term rates may be rising while longer-term rates remain stable. In addition, different types of rate-sensitive assets and rate-sensitive liabilities react differently to changes in rates.

To manage interest rate risk, we must take a position on the expected future trend of interest rates. Rates may rise, fall or remain the same. Our asset-liability committee develops its view of future rate trends and strives to manage rate risk within a targeted range by monitoring economic indicators, examining the views of economists and other experts, and understanding the current status of our balance sheet. Our annual budget reflects the anticipated rate environment for the next 12 months. The asset-liability committee conducts a quarterly analysis of the rate sensitivity position and reports its results to our board of directors.

The asset-liability committee thoroughly analyzes the maturities of rate-sensitive assets and liabilities. This analysis measures the "gap," which is defined as the difference between the dollar amount of rate-sensitive assets repricing during a period and the volume of rate-sensitive liabilities repricing during the same period. The gap is also expressed as the ratio of rate-sensitive assets divided by rate-sensitive liabilities. If the ratio is greater than one, the dollar value of assets exceeds the dollar value of liabilities; the balance sheet is "asset-sensitive." Conversely, if the value of liabilities exceeds the value of assets, the ratio is less than one and the balance sheet is "liability-sensitive." Our internal policy requires management to maintain the gap such that net interest margins will not change more than 6% if interest rates change 100 basis points or more than 12% if interest rates change 200 basis points. There have been no changes to our policies or procedures for analyzing our interest rate risk since December 31, 2024, and there have been no material changes to our sensitivity to changes in interest rates since December 31, 2024, as disclosed in our Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

We conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures under the supervision and with the participation of our management, including our CEO and CFO, as of June 30, 2025. Based upon the evaluation, our CEO and CFO have concluded that, as of June 30, 2025, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be a party to various legal proceedings arising in the ordinary course of business. Management does not believe the Company or the Bank is currently a party to any material legal proceedings.

ITEM 1A. RISK FACTORS

Our business is influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond our control. We have identified a number of these risk factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, which should be taken into consideration when reviewing the information contained in this report. There have been no material changes in the Company's risk factors from those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit:	Description
3.1	Restated Certificate of Incorporation as amended (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q, filed on August 3, 2023).
3.2	Certificate of Elimination of the Senior-Non Cumulative Perpetual Preferred Stock, Series A (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K/A, filed on June 28, 2016).
3.3	Bylaws (Restated for SEC filing purposes only) (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on April 4, 2014).
4.1	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form 10, filed on March 28, 2008).
4.2	Revised Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed on September 15, 2008, Commission File No. 0-53149).
31.01	Certification of principal executive officer pursuant to Rule 13a-14(a).
31.02	Certification of principal financial officer pursuant to Rule 13a-14(a).
32.01	Certification of principal executive officer pursuant to 18 U.S.C. Section 1350.
32.02	Certification of principal financial officer pursuant to 18 U.S.C. Section 1350.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

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 thereunto duly authorized.

SERVISFIRST BANCSHARES, INC.

Date: August 5, 2025	By /s/ Thomas A. Broughton III Thomas A. Broughton III President and Chief Executive Officer
Date: August 5, 2025	By /s/ David A. Sparacio David A. Sparacio Chief Financial Officer

Exhibit 31.01

Section 302 Certification of the CEO

I, Thomas A. Broughton III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ServisFirst Bancshares, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2025

/s/ Thomas A. Broughton III
Thomas A. Broughton III
President and Chief Executive Officer

A signed original of this written statement has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31.02

Section 302 Certification of the CFO

I, David A. Sparacio, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ServisFirst Bancshares, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2025

/s/ David A. Sparacio
David A. Sparacio
Chief Financial Officer

A signed original of this written statement has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.01

Section 906 Certification of the CFO

CERTIFICATION OF PERIODIC FINANCIAL REPORT
PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of ServisFirst Bancshares, Inc. (the "Company") certifies that, to his knowledge, the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: August 5, 2025	/s/ Thomas A. Broughton III Thomas A. Broughton III President and Chief Executive Officer

A signed original of this written statement has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.02

Section 906 Certification of the CFO

CERTIFICATION OF PERIODIC FINANCIAL REPORT
PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of ServisFirst Bancshares, Inc. (the “Company”) certifies that, to his knowledge, the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: August 5, 2025	/s/ David A. Sparacio David A. Sparacio Chief Financial Officer

A signed original of this written statement has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.