



## *News Release*

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## **AMERIS BANCORP REPORTS FIRST QUARTER 2009 RESULTS**

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**AMERIS BANCORP (NASDAQ-GS: ABCB), Moultrie, Georgia**, today reported a net loss available to common shareholders of \$1.2 million, or \$0.09 per diluted share, for the quarter ended March 31, 2009, compared to net income of \$3.0 million, or \$0.22 per diluted share, for the first quarter of 2008. The decrease in net income when compared to the same period in 2008 was due to increased charges related to credit quality as well as a lower net interest margin.

### ***Balance Sheet Trends***

Total assets at March 31, 2009 were \$2.35 billion, an increase of 10.8% when compared to the same period in 2008. The increase in total assets resulted from additional capital and liquidity that the Company raised during the last quarter of 2008. The Company expects levels of total assets to decrease by as much as \$125 million during the second and third quarters of 2009 as the Company returns to more profitable levels of liquidity.

Loans outstanding grew at a much slower pace than total assets. Total loans grew 3.11% to \$1.67 billion when compared to the period ending March 31, 2008. The ratio of investment securities and short-term asset levels to total earning assets was much higher than in recent quarters as the Company maintained exceptionally high liquidity levels. Investment securities and short-term assets represented 22.6% of total earning assets at the end of the first quarter of 2009 compared to 15.9% at the same time in 2008.

Total deposits grew during the first quarter of 2009 to \$2.03 billion, an increase of 13.70% over the same period in 2008. Aggressive sales efforts in all markets, beginning in the third quarter of 2008, have been successful and allowed the Company to begin reducing its dependence on time deposits. Management expects an accelerated migration of the Company's deposit base to lower-cost demand deposits due to ongoing sales campaigns and incentive plans that focus on this type of deposit growth.

Tangible common equity as a percentage of tangible assets increased during the current quarter to 5.83% from 5.74% at December 31, 2008. Total shareholders' equity decreased \$1.4 million during the current quarter to \$237.9 million when compared to balances at December 31, 2008. Management expects tangible capital ratios to increase further in the coming quarters as the Company decreases levels of excess liquidity.

#### ***Provision for Loan Losses and Credit Quality***

The Company's provision for loan losses during the first quarter amounted to \$7.9 million, an increase of \$4.7 million over the \$3.2 million recorded in the first quarter of 2008. The increase in the provision for loan losses mirrored the increase in levels of non-performing assets. At the end of the first quarter of 2009, total non-performing assets increased to 4.63% of total loans compared to 4.13% for the fourth quarter of 2008 and 2.00% at March 31, 2008. Net charge-offs on loans during the first quarter of 2009 increased to \$5.1 million, compared to \$10.4 million during the fourth quarter of 2008 and \$2.7 million in the first quarter of 2008. For the quarters ended March 31, 2009, December 31, 2008 and March 31, 2008, net charge-offs as a percentage of loans were 1.23%, 2.45% and 0.68% respectively. The Company's allowance for loan losses at March 31, 2009 was \$42.4 million or 2.5% of total loans, compared to \$28.1 million or 1.7% of total loans at March 31, 2008.

Edwin W. Hortman, Jr., President and CEO, commented on the Company's credit quality, saying "During the first quarter of 2009, we continued to identify new problem loans, albeit at a slower pace than in recent quarters. Our efforts on loan review during the quarter allowed us to strengthen certain loan relationships and the pace of loan workouts has accelerated, whether through renegotiation with borrowers or through foreclosure. We are confident that our commitment to smaller loan transactions (as we have only 2 loans in excess of \$5 million) in our local markets will allow us to work through this credit cycle faster than otherwise could have been expected. Our efforts to increase core earnings through discipline on pricing and expense control have provided a significant buffer for tangible capital."

#### ***Trends in Net Interest Income and Net Interest Margin***

The Company's net interest margin fell during the first quarter of 2009 to 3.21% compared to 3.91% during the same quarter in 2008. The current quarter's net interest margin reflected an increase from the net interest margin of 2.92% for the fourth quarter of 2008.

Yields on loans increased during the current quarter to 6.21% when compared to 6.18% during the fourth quarter of 2008. During the quarter loan yields decreased when compared to the first quarter of 2008 when loans yielded 7.56%. This decrease from the first quarter of 2008 was the result of the lower interest rate environment that materialized late in 2008. Current spreads on loan production in our local markets have widened significantly, both to the broad rate indices as well as to the Company's incremental cost of new deposits.

Total funding costs declined to 2.45% in the first quarter of 2009 compared to 3.30% at the same time in 2008 and 2.72% during the fourth quarter of 2008. The decline in total funding costs relates to savings realized on both deposit funding and non-deposit funding. Deposit costs decreased from 3.25% in the first quarter of 2008 to 2.46% in the current quarter of 2009. Management expects significant savings to be realized in the coming quarters as the Company decreases its dependence on time deposits. Savings on non-deposit borrowings reflect lower levels of one and three month LIBOR as well as lower outstanding balances. At the end of the first quarter of 2009, the Company's total non-deposit funding was 2.88% of total assets compared to 5.75% of total assets at the same time in 2008.

***Non-Interest Income and Expense***

Total non-interest income for the first quarter of 2009 increased 14.6% to \$5.50 million, up from \$4.80 million in the first quarter of 2008. During the first quarter of 2009, the Company realized approximately \$713,000 of gains on sales of investment securities and \$543,000 in gains on early repayment of FHLB advances. Excluding these gains, non-interest income would have declined in the current quarter by 11.6% to \$4.24 million compared to the same period in 2008. The majority of the decrease in non-interest income related to declines in service charge revenue where the Company experienced significantly fewer overdrafts. For the first quarter of 2009, total service charges were \$3.03 million compared to \$3.32 million in the same quarter of 2008.

Total non-interest expenses for the first quarter of 2009 rose slightly to \$15.73 million, compared to \$15.59 million at the same time in 2008. Salaries and benefits declined 7.3% from the same period in 2008, reflecting a decrease in full-time equivalent employees of 5.8%. Occupancy and equipment expense for the first quarter of 2009 was \$2.16 million, representing an increase of 8.4% from the same quarter in 2008. Other operating expenses increased \$942,000 during the first quarter of 2009 compared to the same quarter in 2008, reflecting increased OREO and collection expenses as well as increases in FDIC premiums.

Ameris Bancorp is headquartered in Moultrie, Georgia, and at the end of the most recent quarter, had 48 locations in Georgia, Alabama, northern Florida and South Carolina.



*Ameris Bancorp Common Stock is quoted on the NASDAQ Global Select Market under the symbol "ABCB". The preceding release contains statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words "believe", "estimate", "expect", "intend", "anticipate" and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates which they were made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those indicated in the forward-looking statements as a result of various factors. Readers are cautioned not to place undue reliance on these forward-looking statements.*