



News Release

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AMERIS BANCORP REPORTS SECOND QUARTER 2009 RESULTS

July 21, 2009

AMERIS BANCORP (NASDAQ-GS: ABCB), Moultrie, Georgia, today reported a net loss available to common shareholders of \$3.36 million, or \$0.25 per diluted share, for the quarter ended June 30, 2009, compared to net income of \$3.15 million, or \$0.23 per diluted share, for the second quarter of 2008. For the first half of 2009, Ameris Bancorp reported a net loss available to common shareholders of \$4.58 million, or \$0.34 per diluted share, compared to net income of \$6.12 million, or \$0.45 per diluted share, for the first half of 2008. Improvements in the Company's net interest margin and continued strong capital position were overshadowed by larger than normal loan loss provisions.

Net Interest Margin Improves for the Third Consecutive Quarter

During the second quarter of 2009, the Company reported net interest income of \$18.5 million and a net interest margin of 3.58%, compared to \$16.9 million and 3.21%, respectively, for the first quarter of 2009. A significant improvement in the Company's cost of funds, together with stable yields on earning assets, was the primary driver in margin improvement and helped lift net interest income by \$1.57 million, or 9.3%, when compared to the first quarter of 2009. The current quarter's net interest margin and net interest income compare less favorably to the same quarter in 2008 when the Company reported a margin of 3.96% and net interest income of \$19.1 million. These declines are representative of the lower interest rate environment that began to materialize in the second half of 2008.

Maintaining stable to slightly increasing yields on earning assets over the recent quarters has been critical to the Company's improvement in pre-tax, pre-provision earnings. Yields on earning assets were 5.60% during the second quarter of 2009, compared to 5.57% in the first quarter of 2009 and 6.64% in the second quarter of 2008. Loan yields were flat during the current quarter at 6.21% when compared to the first quarter of 2009. Yields on current loan production for new and renewed loans are at higher levels than the Company's quarter end yield on loans outstanding. Yields on investment securities were relatively unchanged at 5.01% for the second quarter of 2009 when compared to the second quarter of 2008 but were up from 4.33% in the first quarter of 2009. During the latter part of the first quarter, a low-yielding portion of the portfolio matured and had not been re-invested as of the end of the second quarter.

Interest expense fell during the current quarter to \$10.56 million compared to \$12.65 million in the prior quarter and \$13.19 million in the same quarter in 2008. Similarly, deposit costs fell during the current quarter to 2.04% compared to 2.46% in the first quarter of 2009 and 2.80% in the same quarter of 2008. Increasing liquidity in the marketplace and better pricing disciplines in the banking industry allowed the Company to achieve significant cost savings with regard to customer deposits. In addition, a shift in the Company's deposit mix continues with demand deposits (interest bearing and non-interest bearing) now totaling 54.9% of total deposits compared to 45.6% in the same quarter of 2008. Time deposits at the end of the second quarter of 2009 were 42.3% of total deposits compared to 51.3% at the end of the second quarter of 2008. Non-deposit borrowings totaled only 3.22% of total funding at June 30, 2009 compared to 10.83% at June 30, 2008.

Non-Interest Income

Non-interest income during the quarter totaled \$4.60 million, a decrease of 13.7% from the same quarter in 2008. Several non-recurring amounts are included in both quarters, including a gain on VISA stock recognized in the second quarter of 2008 totaling approximately \$409,000 and a gain on the sale of investment securities in the second quarter of 2009 totaling \$101,000. Excluding these charges, non-interest income would have decreased \$423,000, or 8.60%, compared to the same quarter in 2008. Service charges on deposit accounts were \$3.39 million during the second quarter of 2009 compared to \$3.66 million during the second quarter of 2008. The decrease relates primarily to fewer insufficient funds charges across the Company's retail checking accounts than had been seen in prior periods. Mortgage related revenue increased slightly to \$877,000 in the current quarter when compared to the same quarter in 2008. Although governmental action to keep mortgage rates low has succeeded, new and existing home sales have not yet recovered to pre-recession levels, keeping mortgage activity somewhat muted.

Non-interest Expense

Operating expenses totaled \$17.73 million for the quarter, an increase over the same quarter in 2008 when the Company reported \$15.98 million in total non-interest expense. Salaries and benefits in the current quarter were \$7.90 million compared to \$8.66 million in the second quarter of 2008, a decrease of 8.8%. Decreases in total headcount by 9.5% or 62 positions, and lower levels of incentive pay accounted for the majority of the decrease in personnel costs. Occupancy and equipment costs as well as communications and data processing costs increased only slightly during the quarter when compared to the same quarter in 2008 despite the additional costs incurred from several new branch openings. Renegotiation of certain operating contracts and efforts to reduce controllable expenses across the Company have succeeded in holding increases in operating expenses to a minimum. Other operating expenses increased from \$2.6 million in the second quarter of 2008 to \$5.3 million in the second quarter of 2009. FDIC insurance expense during the second quarter was \$1.58 million, a \$1.41 million increase when compared to the second quarter of 2008. Costs associated with OREO and problem loans totaled \$1.41 million in the current quarter compared to \$314,000 during the same quarter in 2008.

Credit Quality Trends

Economic challenges in our markets continue to affect credit quality and the Company's provision for loan losses. During the current quarter, the Company expensed \$9.4 million of loan loss provision, an increase of \$5.7 million compared to the same quarter in 2008. These loan loss provisions were 138% of the current quarter's net charge-offs, allowing the Company to continue to build its loan loss reserves to 2.68% of total loans, compared to 1.71% at the same time in 2008. Annualized net charge-offs for the quarter were 1.62% of total loans compared to 0.75% in the second quarter of 2008.

Non-performing assets during the quarter increased to 5.19% of total loans and foreclosed assets, compared to 4.63% at the end of the first quarter of 2009 and 2.09% at June 30, 2008. At June 30, 2009, 22% of the Company's non-performing assets were in OREO compared to only 7% at the end of 2008.

Strong Capital Levels

The Company's capital ratios at the end of the quarter continued to be very strong. Tier one and total risk based capital ratios at June 30, 2009 were approximately 9.38% and 13.56%, respectively, compared to 9.42% and 13.13%, respectively, at December 31, 2008. The Company's total risk based capital is approximately 70% over the regulatory guidelines to be adequately capitalized which illustrates the Company's strong capital position. Tangible common equity ended the current quarter at 5.77%, an increase when compared to 5.74% at December 31, 2008. Edwin W. Hortman, Jr., President and CEO, commented on the Company's capital and credit quality, saying "Our efforts to dramatically improve our core earnings have been successful and have allowed us to deal with economic challenges in our credit quality with little or no effect on our tangible capital. Efforts to further increase our core earnings are underway and I expect that higher net interest margins and lower operating expenses in the coming quarters will result and continue to buffer our Company's capital ratios from impacts related to credit quality."

Ameris Bancorp is headquartered in Moultrie, Georgia, and at the end of the most recent quarter, had 50 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.