



## *News Release*

*For more information contact:*

Dennis J. Zember Jr.

Executive Vice President & CFO

(229) 890-1111

## **AMERIS BANCORP REPORTS RESULTS FOR THIRD QUARTER OF 2008**

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**AMERIS BANCORP (NASDAQ-GS: ABCB), Moultrie, Georgia**, reported net income of \$366,000, or \$0.03 per share, for the quarter ended September 30, 2008, compared to net income for the same quarter in 2007 of \$3.6 million, or \$0.26 per share. Net income for the year-to-date period totaled \$6.5 million, or \$0.48 per share, compared to \$14.0 million, or \$1.02 per share for the same period in 2007. Unusually high levels of loan loss provision have been required as several of the Company's markets have been adversely affected by increasingly negative economic trends.

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

The Company's provision for loan losses during the third quarter amounted to \$8.2 million, an increase of \$5.2 million over the \$3.0 million recorded in the third quarter of 2007. Similarly, provision for loan losses for the year-to-date period increased \$10.7 million to \$15.1 million for the first nine months of 2008, compared to 2007.

Non-performing assets increased during the current quarter to 2.52% of total loans, compared to 2.09% for the second quarter of 2008 and 1.57% at December 31, 2007. Net charge-offs on loans during the third quarter of 2008 increased to \$6.7 million, compared to \$3.2 million in the second quarter of 2008 and \$1.6 million in the same quarter of 2007.

The Company's credit quality has declined as real estate activity and valuations continue to fall. Construction and development loans account for approximately 61% and 59% of the net charge-offs in the current quarter and year-to-date periods ended September 30, 2008, respectively. In addition to losses in the construction and development portfolio, residential real estate loans account for approximately 14% and 19% of the net charge-offs in the current quarter and year-to-date periods ended September 30, 2008, respectively. Construction and development loans account for approximately 21.1% and 24.7% of total loans for the period ended September 30, 2008 and September 30, 2007, respectively, while residential real estate loans account for approximately 20.3% and 19.2% of total loans during that same time period.

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

Total net interest income of \$19.2 million for the third quarter of 2008 represented only a slight increase over the \$19.1 million recorded in the third quarter of 2007. Similarly, the year-to-date period reflected small increases in total net interest income, increasing 1.5% to \$56.7 million. Lower levels of growth in net interest income were the result of modest levels of loan growth combined with declining overall margins.

The Company's net interest margin declined in the current quarter to 3.87%, compared to 4.03% in the same quarter in 2007. For the year-to-date period ended September 30, 2008, the Company reported a decline in the net interest margin to 3.92% from 4.05% in the same period in 2007. Increases in non-performing assets of \$21.2 million from September 30, 2007, to September 30, 2008, accounted for 44% of the decline in net interest margin.

Yields on earning assets declined to 6.38% in the current quarter, from 7.87% in the same quarter in 2007. This decline in overall yields resulted primarily from changes in loan yields, which fell from 8.48% during the third quarter of 2007 to 6.67% during the third quarter of 2008. Decreases in interest income on loans were partially offset by increases in investment securities, the yields on which increased to 5.06% for the third quarter of 2008, compared to 4.96% in the third quarter of 2007.

Funding costs also offset some of the declines in earning asset yields. Total funding costs declined to 2.54% in the third quarter of 2008, compared to 3.90% in the same quarter of 2007. Declines in the yields on time deposits accounted for most of the decline in funding costs, falling to 3.79% in the current quarter, compared to 5.08% in the third quarter of 2007. The cost of non-deposit borrowing fell significantly to 2.09% in the third quarter of 2008, from 5.78% in the third quarter of 2007. The majority of the Company's non-deposit borrowings are LIBOR-based and have benefitted materially from both declining rates and interest rate floors tied to the Company's borrowings from the FHLB.

#### ***Non-Interest Income***

Total non-interest income remained virtually unchanged during the third quarter at \$4.6 million when compared to the third quarter of 2007. Increases in service charges on deposit accounts to \$3.7 million offset smaller declines in the other non-interest income categories, including mortgage banking activities. Increases in charges and fees have allowed the Company to experience better than average growth in fee income while slower activity in residential real estate in many of the Company's markets has slowed the growth of mortgage-related revenue.

#### ***Non-Interest Expense***

Total non-interest expense for the third quarter of 2008 was \$14.8 million, a decrease of approximately \$408,000 from the same period in 2007. Salaries and benefits in the current quarter decreased approximately 4.4% to \$7.1 million, when compared to the third quarter of 2007. This decline is primarily attributable to a reduction in incentive pay expense of approximately \$1.3 million. Although the Company's previously announced workforce reduction was completed during the third quarter, the impact will not begin to be realized until the fourth quarter of 2008 due to its timing during the quarter and the related severance expense. Occupancy and equipment expense increased during the quarter to \$1.9 million, an increase of 8.4% when compared to the same period in 2007. Additional offices, primarily in South Carolina and Jacksonville, Florida, are the primary reasons for the additional occupancy expenses.

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.

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*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.*