



News Release

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AMERIS BANCORP REPORTS RESULTS FOR 2008

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AMERIS BANCORP (NASDAQ-GS: ABCB), Moultrie, Georgia, today reported a net loss of \$4.2 million, or \$0.31 per diluted share, for the year ended December 31, 2008, compared to net income of \$15.2 million, or \$1.11 per diluted share, for 2007. For the fourth quarter of 2008, the Company reported a net loss of \$10.7 million, or \$0.79 per diluted share, compared to net income of \$1.2 million, or \$0.09 per diluted share, during the fourth quarter of 2007. The Company's net loss for the year and the fourth quarter resulted primarily from increased provisions for loan losses which were associated with continued declines in credit quality. In addition, deposit funding costs remained extraordinarily high as financial institutions placed a premium on liquidity.

Strong Capital and Liquidity Positions

During the fourth quarter, the Company took several steps to further improve its already strong capital and liquidity positions. In November 2008, the Company sold preferred stock and a common stock purchase warrant to the U.S. Treasury for \$52 million as part of the Treasury's Capital Purchase Program. The Company's total capital to risk-based assets at December 31, 2008 increased to approximately 13.25% compared to 11.6% at December 31, 2007.

To further strengthen its liquidity position, the Company implemented several deposit campaigns focused on attracting less volatile, local-market deposits. These sales efforts were successful in raising significant amounts of new funding and when combined with approximately \$600 million of available lines of credit at December 31, 2008 provide Ameris Bank with very strong liquidity ratios.

Provision for Loan Losses and Credit Quality

Non-performing assets continued to increase during the fourth quarter, ending 2008 at \$70.2 million, or 4.13% of total loans, an increase from the \$43.2 million, or 2.52% of total loans reported at the end of the third quarter of 2008. Net charge-offs in 2008 were \$23.0 million, or 1.36% of total loans compared to \$8.5 million, or 0.53% of total loans in 2007.

This increase in non-performing assets and the accelerating level of net charge-offs led to a provision for loan losses of \$19.9 million for the fourth quarter of 2008 compared to \$6.9 million in the same quarter in 2007. For the year, provision for loan losses amounted to \$35.0 million compared to \$11.3 million during 2007. Included in the current quarter's provision for loan losses was a \$5.0 million charge to establish a reserve component reflecting economic uncertainties that management believes is prudent and timely given the economic outlook. Management anticipates a quarterly evaluation of economic trends and may increase or decrease this portion of the reserve in future periods.

"Although our credit quality metrics are disappointing, our Company continues to benefit from a conservative lending philosophy and several important decisions that we made before the current economic crisis began," said Edwin W. Hortman, Jr., President and Chief Executive Officer. "Most importantly, our lending philosophy focuses on relationship banking, forcing us to know and bank the customer rather than simply understanding a loan transaction. Second, we originate our loans in local markets instead of relying on loan participations or deals outside the areas that we know best. Lastly, we have resisted the trend to loan larger sums to individual borrowers for the sake of growth. Our average loan size is only \$88,500 and our largest loan is \$9.8 million compared to our legal lending limit of \$30 million. We still face issues, despite these advantages, but we remain committed to working through the current credit crisis in a timely and prudent fashion," finished Hortman.

Trends in Net Interest Income and Net Interest Margin

The Company's net interest margin fell during the fourth quarter of 2008 to 2.92% compared to 3.92% during the same quarter in 2007. For the year to date period, the Company's net interest margin was 3.65% compared to 4.02% in 2007. Reversals of interest on new non-accrual loans, increased levels of non-earning assets and relatively expensive funding costs combined to produce the lower margins in the current quarter and year-to-date periods.

Yields on earning assets fell to 5.58% during the current quarter, compared to 7.66% in the fourth quarter of 2007. For the year, yields on earning assets fell to 6.43% from 7.79% in 2007. The Company's mix of earning assets played a significant role in producing lower yields on earning assets as did short-term rates and lending benchmark rates at historically low levels. During the quarter, as the Company added to its liquidity position, short-term assets and investment securities with final maturities of less than 12 months increased to 10.8% of total earning assets compared to 0.8% at December 31, 2007. The Company's efforts during 2007 and 2008 to establish floors on variable rate loans cushioned the impact of sharp declines in indexes on which the Company normally loans money. Still, approximately 16.6% of the Company's total loan portfolio at December 31, 2008 were variable rate loans with no established floor and, as a result, produced only marginally profitable yields.

Deposit costs increased during the quarter as a result of several campaigns designed to bolster the Company's liquidity using local-market deposits instead of brokered deposits or wholesale borrowings. During the quarter, the Company saw total customer deposits increase by \$198.6 million to \$1.82 billion, an increase of 12.3% over the most recent linked quarter. At December 31, 2008, the Company had \$195.3 million in brokered deposits, which represents 9.06% of total funding and an increase of \$67.3 million from the end of 2007. The reduced level of volatility in local-market deposits versus the increasingly unfavorable opinions of brokered deposits by regulatory agencies have caused a significant rise in the cost of customer deposits relative to market yields on assets. Profitability levels on deposit funding began to improve late in the fourth quarter, and if these trends continue, the Company expects wider spreads and margins to follow.

Commenting on pricing challenges, Mr. Hortman said, "Significant disruption in our industry in the fourth quarter of 2008 created unique opportunities for new deposit accounts. Our bankers responded with exceptionally strong sales in our local market, opening over 6,500 new accounts. In 2009, our challenge will be to systematically reduce deposit pricing while we improve our deposit mix to be concentrated more heavily in low-cost, transaction-oriented business. Success in this initiative will combine with greatly improved loan pricing and allow the Company to quickly return to acceptable net interest margins."

Non-Interest Income

Total non-interest income for 2008 increased 8.3% to \$19.1 million. Service charges on deposit accounts increased 11.7% to \$13.9 million. This increase in service charges came as a result of significantly more transaction accounts as well as slight increases in related fee schedules. Mortgage income increased slightly in 2008 to \$3.2 million from \$3.1 million in 2007. As mortgage rates continue to fall to historically low levels, activity in the Company's mortgage division has increased and higher levels of loan closings and revenue are anticipated.

Non-Interest Expense

Total operating expenses for 2008 increased 6.4% to \$62.7 million. Salaries and benefits during 2008 were \$31.7 million, an increase of 6.2% when compared to \$29.8 million in 2007. These increases are mostly the result of expansion efforts in larger metro markets where the Company opened nine offices during 2008. To help offset this expense, Ameris Bank announced seven branch office closings during 2008, including two in the fourth quarter of 2008. Speaking on management's efforts to balance the Company's short-term and long-term decision making, Mr. Hortman said, "In 2009, we will focus more aggressively on reaching important levels of profitability in the offices we have opened since the beginning of 2007 and pause with additional de-novo branch projects. We expect all markets in which we have expanded to be profitable in 2009 despite the challenges with credit and revenue growth."

Occupancy and equipment expense increased during 2008 to \$8.1 million, an increase of 7.0% when compared to 2007. This increase also relates to expansion efforts in metro markets, the costs of which were offset to some degree by savings from branch closings during 2008. Other operating expenses increased \$1.3 million during 2008 to \$17.1 million. These increases were primarily the result of additional legal and collection expenses associated with non-performing assets as well as increases in advertising and marketing expense aimed at attracting new deposit accounts.

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.