



News Release

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AMERIS BANCORP ANNOUNCES 52.5% INCREASE IN EARNINGS FOR THIRD QUARTER OF 2006

AMERIS BANCORP (NasdaqGS:ABCB), Moultrie, Georgia, and Edwin W. Hortman, Jr., President and CEO of Ameris Bancorp, today announced earnings for the quarter ended September 30, 2006, of \$6.0 million, or \$0.45 per diluted share, an increase of \$2.1 million, or 52.5%, over results for the same quarter in 2005. Year-to-date earnings totaled \$16.4 million, or \$1.24 per diluted share compared to \$11.0 million, or \$0.92 per diluted share for the same period in 2005.

Ameris' third quarter performance was highlighted by the following significant items:

- Strong internal balance sheet growth from existing markets with total assets of \$1.95 billion at September 30, 2006, up 42.0% from the same time period in 2005.
- Solid deposit growth with interest bearing transaction accounts of \$517.3 million at September 30, 2006, up 65.3% over the same period in 2005.
- Significant balance sheet restructuring, reflecting a move toward less asset sensitivity and a profitability model less susceptible to interest rate changes.
- Continued success in attracting and hiring successful bankers in larger metropolitan areas including Jacksonville, FL, Columbia, SC and Charleston, SC.
- Steady trends in asset quality with less provision for loan losses than in the same quarter in 2005.
- Non-recurring income and expenses amounting to a net gain of approximately \$510,000 net of taxes, or \$0.038 per diluted share.

Profitability

Return on assets for the third quarter of 2006 improved to 1.28%, compared to 1.18% for the same quarter in 2005. Return on equity also improved to 15.2% for the third quarter of 2006, compared to 12.4% for the third quarter of 2005. Year to date return on assets and return on equity improved to

1.24% and 14.33%, respectively, compared to 1.14% and 11.87%, respectively, for the same period in 2005.

Balance Sheet Growth

Total assets at September 30, 2006, were \$1.95 billion, an increase of \$575.5 million, or 42.0%, over the \$1.37 billion in total assets reported at the same time in 2005. Approximately \$265 million of the growth in total assets resulted from Ameris' acquisition of First National Banc, Inc. in December, 2005. Excluding the assets acquired in that transaction, Ameris reported internal growth in total assets from its existing operations of 22.7% over balances reported at the same time in 2005.

Loans continued to grow at a double digit pace during the third quarter, ending the quarter at \$1.4 billion, an increase of \$368.5 million, or 36.7%, over balances reported at September 30, 2005. This continued growth is attributed primarily to increased focus on sales efforts as well as successful efforts to recruit experienced bankers in existing markets.

Deposits grew at a faster pace than loans, increasing to \$1.64 billion at September 30, 2006, compared to \$1.07 billion at September 30, 2005. Deposits at quarter end represented almost 92.9% of Ameris' total funding compared to 86.9% a year ago. Campaigns and one-on-one sales efforts continued to intensify in the third quarter with many of the Company's bankers focusing sales efforts on large transaction accounts. These sales efforts were very successful, leading to an increase in interest bearing transaction accounts of \$99 million in the third quarter of 2006 alone. While deposit growth outpaced loan growth during the quarter, the Company experienced some dilution in its net interest margin because the funds are being invested primarily in short-term assets.

Balance Sheet Restructuring

During the third quarter of 2006, the Company implemented steps to manage a balance sheet that is less asset sensitive. The most significant step taken involved restructuring approximately \$65.0 million of FHLB borrowings from fixed rates to variable rates. In addition, Ameris completed the issuance of \$36.0 million of variable rate trust preferred debentures that replaced the Company's existing fixed rate debentures previously called for redemption effective September 30, 2006. Other actions involved in the plan included the use of interest rate floors and aggressive sales campaigns on products that may provide a cushion in the event of falling interest rates. The efforts to complete this restructuring resulted in additional interest expense in the third quarter of 2006 of approximately \$173,000. Ameris' future results will benefit from the reduced cost of the new trust preferred debentures that should offset this expense.

Net Interest Income

Net interest income rose to \$17.9 million during the third quarter, an increase of 34.4% over the same quarter in 2005. The Company's net interest margin was 4.26% in the third quarter of 2006, compared to 4.35% in the same quarter in 2005. Several temporary factors contributed to the decline in the net interest margin, including higher levels of short-term assets and the initial effects of the Company's balance sheet restructuring.

Interest income increased to \$32.6 million during the third quarter of 2006, compared to \$20.5 million during the same quarter of 2005. Yields on earning assets increased to 7.73% during the current quarter compared to 6.68% a year ago. The Company's mix of earning assets moved towards lower yielding short-term assets as the Company's deposit growth efforts began to generate significant amounts of new accounts. Loans, investment securities and short-term assets comprised 80.3%, 15.8% and 3.9%, respectively, of earning assets in the third quarter of 2006 compared to 80.3%, 18.0% and 1.7%, respectively, in the same quarter of 2005.

Interest expense increased \$7.5 million to \$14.7 million during the third quarter of 2006 compared to the third quarter of 2005. Increases in funding as well as increases in the costs of deposits contributed to

this increase in borrowing costs. The cost of funding for the third quarter of 2006 increased to 3.50% compared to 2.39% in the same quarter of 2005. Deposits costs increased to 3.27% during the current quarter, compared to 1.84% for the third quarter of 2005.

Continued Success in Recruiting

The Company continues to be successful in its efforts to hire seasoned professionals in production and management positions. Recruiting efforts were successful in Jacksonville, Florida with the hiring of commercial lending and mortgage bankers to staff the Company's new branch opening December 1, 2006. Initial efforts also were successful in South Carolina as Ameris hired several very seasoned bankers to lead the Company's efforts in both the greater Columbia and Charleston markets. The Company is also continuing its efforts to expand production capacity and build greater market share in its larger, more metropolitan markets.

Credit Quality and the Provision for Loan Losses

The Company's provision for loan losses in the third quarter of 2006 amounted to \$713,000, a slight decrease compared to amounts recorded in the third quarter of 2005. The Company's allowance for loan losses was 1.74% and 1.72% of total loans at September 30, 2006 and 2005, respectively. Loan loss provision expense related primarily to loan growth experienced in the quarter.

Non-performing assets as a percentage of total loans and foreclosed assets were 0.73% at September 30, 2006, compared to 0.90% at December 31, 2005. Annualized net charge-offs for the year to date period ending September 30, 2006, were 0.05% compared to net recoveries of 0.02% for the same period in 2005.

Commenting on the Company's credit quality, Edwin W. Hortman, Jr. said, "Our internal growth rates are impressive, but equally impressive is the focus our Company has on credit quality. Our desire to continue growing and expanding our presence has not caused us to waver from our commitment to a solid credit administration program and policies that we believe will produce consistent credit quality. I'm proud of our bankers for understanding both of these goals."

One Time Gain and Non-Recurring Expenses

During the third quarter of 2006, Ameris recognized an after-tax gain of \$620,000 related to the sale of one of its banking charters. This sale did not impact the Company's customers, employees or fixed assets. Non-recurring expenses for the quarter associated with this sale and other legal matters amounted to approximately \$112,000, net of tax.

Ameris Bancorp is headquartered in Moultrie, Georgia, and has 43 locations in Georgia, Alabama and northern Florida.

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.