



## *News Release*

*For more information contact:*

Dennis J. Zember Jr.

Executive Vice President & CFO

(229) 890-1111

## **AMERIS BANCORP'S NET INCOME UP 30% FOR FIRST QUARTER OF 2006**

**AMERIS BANCORP (Nasdaq:ABCB), Moultrie, Georgia**, reported net income of \$5.1 million, or \$0.39 per diluted share, for the quarter ended March 31, 2006, compared to net income for the same period in 2005 of \$3.6 million, or \$0.30 per diluted share. These results represent a 41.67% increase in net income and a 30.0% increase in diluted earnings per share over the same period in 2005.

### *Profitability of Core Balance Sheet Continues to Improve*

Return on assets for the first quarter of 2006 improved to 1.20%, compared to 1.14% for the same quarter in 2005 and to 1.04% for the year to date period ending December 31, 2005. Return on equity also improved to 13.60% for the first quarter of 2006 compared to 11.80% for the first quarter of 2005 and to 10.87% for 2005. Ameris's improved profitability resulted from several factors, the most prominent of which is the Company's ability to maintain a steady to slightly improving net interest margin over the past year while growing earning assets at a healthy pace. In addition, Ameris's efforts at placing more employees in sales and customer contact roles have resulted in improved efficiency ratios.

### *Significant Expansion of Net Interest Income and Total Revenue*

Net interest income expanded in the first quarter to \$16.4 million, an increase of 35.2% over the same quarter in 2005. Net interest income and each component of interest income and expense have been affected both by strong levels of internal growth and by the purchase of First National Banc, Inc. ("FNB") late in the fourth quarter of 2005. Excluding the purchase of FNB, net interest income would have increased by approximately 20.9% in the first quarter of 2006, compared to the same quarter in 2005.

Total interest income increased to \$27.1 million in the first quarter of 2006 compared to \$17.6 million in the first quarter of 2005. Yields on earning assets improved substantially as short term rates continued to climb. Yields on earning assets during the first quarter of 2006 were 7.13% compared to 6.21% in the same quarter of 2005. Total earning assets increased as well, growing \$398.3 million to \$1.55 billion at March 31, 2006.

Interest expense increased as well in the present interest rate environment. Interest expense on deposits increased from \$3.5 million during the first quarter of 2005 to \$8.6 million in the first quarter of 2006. Total interest expense, including the cost of non-deposit borrowings, increased to \$10.7 million in the first quarter of 2006 compared to \$5.4 million in the same quarter in 2005. Total cost of deposits increased from 1.44% in the first quarter of 2005 to 2.54% in the first quarter of 2006, while total cost of funds increased from 1.95% to 2.83% over the same time periods. Average non-interest bearing funds were 13.8% of total deposits during the first quarter of 2006 compared to 15.0% during the first quarter of 2005.

### ***Balance Sheet Growth***

Total assets at March 31, 2006 were \$1.74 billion, an increase of \$480 million and 38.1% over the \$1.26 billion in total assets reported at the same time in 2005. Approximately \$265 million of the growth in total assets resulted from the merger with FNB late in the fourth quarter of 2005. Excluding the assets acquired in the merger with FNB, Ameris reported growth in total assets of 17.1% when compared to the same period in 2005.

The pace of loan growth continued to be strong. The Company's efforts to expand production capacities in markets have been successful with the addition of new producers in several attractive markets. Markets where production capacity has been expanded include Jacksonville, Orange Park, Gainesville and Tallahassee, Florida, St. Marys, Georgia and Dothan, Alabama. Loans increased \$352.8 million in the first quarter of 2006 when compared to the same period in 2005, and \$54.5 million when compared to balances at December 31, 2005.

Deposits grew at a slightly slower pace than loans, increasing to \$1.42 billion at March 31, 2006, compared to \$992 million at March 31, 2005 and to \$1.38 billion at December 31, 2005. Deposits at quarter end represented 90.5% of our total funding compared to 87.8% a year ago. Significant efforts to improve the Company's sales culture center mostly on deposit sales and have resulted in improved product delivery to the customer and have dramatically improved capacity to customize the relationship with each individual customer as the customer's needs are known. The Company anticipates accelerated growth in core deposits from continued improvements in the Company's deposit sales practices and from expanded sales forces in growth markets.

### ***Efficiency Improvements***

Efficiency improvements during the first quarter of 2006 result primarily from growth in revenue as opposed to reduced operating expenses. The Company's efforts to continually improve the operational structure and its use of the related resources will accelerate as the remaining bank charters are collapsed. The collapse of the four remaining charters is anticipated to occur during the third quarter of 2006.

Ameris's efficiency ratio improved solidly over the year resulting in an efficiency ratio of 59.57% in the first quarter of 2006 compared to 64.60% in the same quarter in 2005. The Company anticipates little improvement from the current level of efficiency as efforts to build and staff additional branches in several growth markets will likely replace most of the savings generated from improvements in its existing operational structure.

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

Credit quality at March 31, 2006 showed a slight improvement from the previous quarter. Total non-performing assets at March 31, 2006 were 0.90% of total loans, compared to 0.90% at December 31, 2005. Significant resources have been committed to resolving several larger problem credits that were assumed in the FNB transactions in the fourth quarter of 2005 and the Company anticipates improvements from these efforts during the second quarter of 2006 and throughout the rest of the year.

Provision for loan losses in the first quarter of 2006 amounted to \$510,000 compared to the \$152,000 recorded in the first quarter of 2005. The Company's allowance for loan losses was 1.84% and 1.80% of total loans at March 31, 2006 and 2005, respectively. Additional levels of loan loss provision expense were related primarily to loan growth experienced in the quarter.

***One Time Gain Expected***

During the first quarter of 2006, Ameris negotiated a definitive agreement with another bank for the purpose of selling one of its Florida bank charters for \$1 million. Ameris expects to complete the transaction in conjunction with the collapse of the charter and will have the opportunity to retain its employees, offices and customers. The transaction is subject to the approval of various regulatory agencies and is expected to close during the third quarter of 2006.

Ameris Bancorp is headquartered in Moultrie, Georgia, and has 42 locations in Georgia, Alabama and northern Florida.

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*Ameris Bancorp Common Stock is quoted on the NASDAQ National 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.*