



## *News Release*

*For more information contact:*  
Dennis J. Zember Jr.  
Executive Vice President & CFO  
(229) 890-1111

### **AMERIS BANCORP REPORTS RESULTS FOR 2009**

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**AMERIS BANCORP (NASDAQ-GS: ABCB), Moultrie, Georgia,** today reported results for 2009, including the following highlights:

- Tangible book value and tangible common equity as a percentage of tangible assets increased during 2009 due to operating activities and FDIC-assisted transactions.
- Higher levels of net interest income were achieved in 2009 than in 2008.
- Non-CD deposits increased to 61% of total deposits at the end of 2009, up from 46% in 2008.
- Net income available to common shareholders was affected by \$54.8 million goodwill impairment recorded in the fourth quarter of 2009.

#### ***Earnings Summary***

Excluding a non-cash charge for goodwill impairment that did not affect the Company's tangible equity or liquidity, the Company reported net income available to common shareholders of \$10.4 million, or \$0.76 per diluted share, for the year ended December 31, 2009 compared to a net loss of \$4.2 million, or \$0.31 per diluted share, for 2008. On the same basis, the Company's net income available to common shareholders for the fourth quarter of 2009 totaled \$15.8 million, or \$1.15 per diluted share, compared to a net loss available to common shareholders of \$10.7 million, or \$0.78 per diluted share, for the same period in 2008. The Company's results were partially driven by gains recorded on FDIC-assisted transactions totaling approximately \$25.1 million after tax.

During the fourth quarter of 2009, the Company recorded a non-cash charge for goodwill impairment totaling \$54.8 million. Including the effects of this charge, the Company's net loss available to common shareholders during 2009 was \$44.4 million, or \$3.23 per diluted share. On the same basis, the Company's net loss available to common shareholders totaled \$39.0 million, or \$2.83 per common share, for the fourth quarter of 2009.

### **Capital Levels – Improved Capital Levels without Shareholder Dilution**

The Company strengthened capital levels with tangible book value increasing for the fifth consecutive year, as shown below, despite the recent economic challenges. In addition to strong consolidated capital ratios, regulatory capital of Ameris Bank was higher at December 31, 2009 than at any other time during the past five years. Significantly, improvements in capital ratios have been accomplished without issuing additional shares of Ameris Bancorp common stock and without shareholder dilution.

	<b>As of December 31, (dollars in thousands)</b>				
<b>Consolidated:</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Tangible Common Equity (TCE)	\$141,367	\$131,887	\$131,634	\$118,268	\$98,987
TCE / Tangible Common Assets	5.84%	5.62%	6.41%	5.95%	6.01%
Tangible Book Value	\$ 10.22	\$ 9.74	\$ 9.67	\$ 8.73	\$ 7.64
<b>Ameris Bank</b>					
Tier 1 Leverage Capital	9.52%	7.25%	8.47%	8.64%	9.09%
Total Risk Based Capital	14.34%	10.41%	11.68%	11.94%	12.14%

### **Improvement in Pre-tax, Pre-Credit Net Income**

The Company continues to increase its core earnings (pre-tax, pre-credit) through various income and expense initiatives. Pre-tax, pre-credit income increased during the current quarter to \$9.6 million, compared to \$9.4 million in the third quarter of 2009 and \$4.7 million in the fourth quarter of 2008. For the year to date period ended December 31, 2009, the Company's pre-tax, pre-credit income totaled \$33.8 million, an increase of \$2.1 million, or 6.6%, when compared to 2008. Edwin W. Hortman, Jr., President and CEO, commented on the Company's trends in core earnings saying, "Although our current run rate suggests that 2010's core earnings will continue to improve, we have developed and begun implementing "Project 2010". This new project covers numerous initiatives with the goal of improving our pre-tax, pre-credit income by approximately \$7.5 million in 2010. These improvements are anticipated to further strengthen our capital base as we manage through the current economic environment. I am proud of our Company and the pace at which our employees have embraced the changes necessary to be successful in this initiative."

### **Balance Sheet Trends**

During 2009, the Company saw several significant trends in earning assets and in its funding mix. With regard to earning assets, short-term assets (federal funds sold and interest bearing deposits) averaged \$151.3 million during 2009 compared to \$49.3 million in 2008. Traditionally, the Company's year-end balance sheet contains approximately \$100 million of excess deposits from municipalities and businesses. Expected declines in these balances will reduce the Company's position in short-term assets and further improve capital ratios. Loans increased during 2009 to \$1.71 billion from \$1.70 billion at the end of 2008. The increase was the result of the loans acquired in the FDIC-assisted transactions during the fourth quarter of 2009 which amounted to \$129.3 million at December 31, 2009. Investment securities decreased substantially during 2009, from \$367.9 million at the end of 2008 to \$247.3 million at the end of 2009 because management has not invested material amounts of short-term assets in the current interest rate environment.

The Company's funding mix improved dramatically during 2009, leading to significant savings in cost of funds. At December 31, 2009, demand deposits (interest-bearing and non-interest bearing) amounted to \$1.2 billion and comprised 55.8% of total deposits compared to \$878 million, or 43.6% of total deposits, at December 31, 2008. During the same time, the Company's time deposits fell to \$877 million, or 41.4% of total deposits, compared to \$1.1 billion, or 56.4% of total deposits at the end of 2008. Aggressive efforts marketing the Company's treasury management platform as well as retail deposit sales efforts were successful, particularly in the fourth quarter of 2009. Mr. Hortman commented on the Company's momentum with regard

to core deposits saying, "The current economy has limited our outlook for loan growth, but the opportunities to grow our core deposits with individuals and small to medium size businesses have grown exponentially. I expect our Company to benefit significantly in 2010 and beyond from the expertise we have developed on business deposit sales in 2009."

***Net Interest Income***

In 2009, the Company reported \$74.0 million in net interest income, a modest increase of \$1.3 million, or 1.9%, from levels reported in 2008. Declines in interest income and yields on earning assets were offset by savings on interest expense realized from substantial improvements in the Company's funding mix.

Yields on earning assets declined to 5.43% in 2009 compared to 6.43% in 2008. Declines in loan yields and the Company's concentration in low-yielding short-term assets accounted for the majority of the declines. Loan yields in 2009 were 6.03% compared to 6.85% in 2008. The concentration in short-term assets during 2009 amounted to 7.1% of earning assets, compared to 2.4% in 2008. The average yield on this higher level of liquidity in 2009 was 0.20%, a decline from 1.06% in 2008. The Company expects to begin managing toward incrementally lower levels of liquidity early in 2010.

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

Credit quality continues to be managed aggressively with significant impacts on the Company's overall profitability. During 2009, the Company reduced exposure in C&D and CRE concentrations considerably with yearend C&D and total CRE concentrations of 97% and 247%, respectively, as a percentage of bank capital. This compares to 183% and 343% at December 31, 2008. "I'm encouraged with our progress reducing concentrations in problem areas, but there remains much work to be done on non-performing assets," said Mr. Hortman. Non-performing assets at December 31, 2009 were 6.73%, up from 6.32% at the end of the third quarter of 2009 and from 4.13% at December 31, 2008. "We believe that our level of investment in non-performing assets relative to current appraisals will allow us to move these assets quickly once activity and interest rebounds," continued Mr. Hortman.

***Non-interest Income***

During the fourth quarter, the Company participated in two FDIC-assisted transactions in the metro-Atlanta area. The Company has recorded gains on these transactions totaling \$25.1 million after tax. Excluding these gains and gain on the sales of investments, the Company's non-interest income during 2009 decreased slightly to \$18.9 million. The decline was driven by a decrease in service charges totaling \$323,000, or 2.3%, as well as a decline in mortgage fees of \$130,000, or 4.1%. The Company's efforts to increase service charges in 2009 focused on the acquisition of new accounts as opposed to higher fees per account.

***Lower Core Operating Expenses***

During 2009, the Company recorded \$124.8 million of operating expenses, including a non-cash charge of \$54.8 million for impairment of the Company's goodwill. Excluding the charge for goodwill impairment, the Company's operating expenses reflect an increase of \$7.2 million, or 11.5%, when compared to 2008 levels. This increase in operating expenses is attributable to increases in FDIC insurance premiums of \$2.5 million over 2008 levels and increases in OREO and problem loan expenses totaling \$6.6 million over 2008 levels. Excluding these expenses, the Company's operating expenses declined 3.0% when compared to 2008 amounts. Mr. Hortman stated, "We have reduced our monthly run rate on core operating expenses, but I believe we can do more. Success in our "Project 2010" initiative will provide meaningful savings in current operating expenses and allow us to continue increasing our core earnings, an important statement about our Company's resolve to protect our capital ratios and to add shareholder value."

Ameris Bancorp is headquartered in Moultrie, Georgia, and at the end of the most recent quarter, had 53 locations in Georgia, Alabama, northern Florida and South Carolina.  
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*This news release contains certain performance measures determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Management of Ameris Bancorp (the "Company") uses these non-GAAP measures in its analysis of the Company's performance. These measures are useful when evaluating the underlying performance and efficiency of the Company's operations and balance sheet. The Company's management believes that these non-GAAP measures provide a greater understanding of ongoing operations, enhance comparability of results with prior periods and demonstrate the effects of significant gains and charges in the current period. The Company's management believes that investors may use these non-GAAP financial measures to evaluate the Company's financial performance without the impact of unusual items that may obscure trends in the Company's underlying performance. These disclosures should not be viewed as a substitute for financial measures determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Tangible common equity and Tier 1 capital ratios are non-GAAP measures. The Company calculates the Tier 1 capital using current call report instructions. The Company's management uses these measures to assess the quality of capital and believes that investors may find them useful in their evaluation of the Company. These capital measures may or may not be necessarily comparable to similar capital measures that may be presented by other companies.*

*This news 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 and are referred to the Company's periodic filings with the Securities and Exchange Commission for a summary of certain factors that may impact the Company's results of operations and financial condition.*