Ameris Bancorp
Form 10-Q
August 09, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2007**

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: **001-13901**

AMERIS BANCORP
(Exact name of registrant as specified in its charter)

GEORGIA	**58-1456434**
(State of incorporation)	(IRS Employer ID No.)

24 SECOND AVE., SE MOULTRIE, GA 31768
(Address of principal executive offices)

(229) 890-1111
(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.Yes xNo o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Securities Exchange Act. (Check one):

Large accelerated filer o Accelerated filer x Non-accelerated filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act).Yes oNo x

There were 13,541,576 shares of Common Stock outstanding as of August 3, 2007.

AMERIS BANCORP
TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION		**Page**
Item 1.	Financial Statements	
	Consolidated Balance Sheets at June 30, 2007 (unaudited), December 31, 2006 (audited) and June 30, 2006 (unaudited)	3
	Consolidated Statements of Income and Comprehensive Income (unaudited) for the Six Months and Quarters Ended June 30, 2007 and 2006	4
	Consolidated Statements of Cash Flows (unaudited) for the Six Months Ended June 30, 2007 and 2006	5
	Notes to Consolidated Financial Statements (unaudited)	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	12
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	23
Item 4.	Controls and Procedures	23
PART II - OTHER INFORMATION		
Item 1.	Legal Proceedings	24
Item 1A.	Risk Factors	24
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	24
Item 3.	Defaults Upon Senior Securities	24
Item 4.	Submission of Matters to a Vote of Security Holders	24
Item 5.	Other Information	24
Item 6.	Exhibits	24
	Signatures	
	Exhibits: Exhibit 31.1 Certification of Chief Executive Officer Exhibit 31.2 Certification of Chief Financial Officer Exhibit 32.1 Certification of Chief Executive Officer pursuant to Section 906 of Sarbanes-Oxley Act Exhibit 32.2 Certification of Chief Financial Officer pursuant to Section 906 of Sarbanes-Oxley Act	

Table of Contents

AMERIS BANCORP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	(Unaudited) June 30 2007	(Audited) December 31 2006	(Unaudited) June 30 2006
Assets			
Cash and due from banks	**$ 50,328**	$ 66,856	$ 63,894
Federal funds sold & interest bearing deposits	**16,342**	135,232	26,642
Securities available for sale, at fair value	**300,642**	283,192	257,283
Loans	**1,556,862**	1,442,951	1,330,713
Less: allowance for loan losses	**25,032**	24,863	23,366
Loans, Net	**1,531,831**	1,418,088	1,307,347
Premises and equipment, net	**52,385**	46,604	40,625
Intangible assets, net	**5,450**	6,099	5,971
Goodwill	**54,629**	54,365	42,933
Other assets	**37,466**	37,106	38,649
Total assets	**$ 2,049,073**	$ 2,047,542	$ 1,783,344
Liabilities and Stockholders' Equity			
Deposits:			
Noninterest-bearing demand	**$ 200,849**	$ 221,592	$ 201,489
Interest-bearing demand	**576,309**	545,564	418,310
Savings	**60,243**	63,255	71,873
Time deposits	**857,785**	879,752	754,456
Total deposits	**1,695,185**	1,710,163	1,446,128
Federal funds purchased & securities sold under agreements to repurchase	**6,966**	15,933	3,769
Other borrowings	**105,500**	75,500	124,094
Other liabilities	**15,054**	24,945	15,629
Subordinated deferrable interest debentures	**42,269**	42,269	40,722
Total liabilities	**1,864,974**	1,868,810	1,630,342
Stockholders' Equity			
Common stock, par value $1; 30,000,000 shares authorized;14,867,934, 14,850,237 and 14,339,975 shares issued at June 30, 2007, December 31, 2006 and June 30, 2006, respectively	**14,868**	14,850	14,340
Capital surplus	**82,019**	81,481	67,352
Retained earnings	**102,124**	95,523	87,466
Accumulated other comprehensive income	**(4,231)**	(2,529)	(5,675)
	194,780	189,325	163,483

Treasury stock, at cost, 1,326,458, 1,322,717 and 1,314,430 shares at June 30, 2007, December 31, 2006 and June 30, 2006, respectively	**(10,681)**	(10,593)	(10,481)
Total stockholders' equity	**184,099**	178,732	153,002
Total liabilities and stockholders' equity	**$ 2,049,073**	$ 2,047,542	$ 1,783,344

See notes to unaudited consolidated financial statements.

Table of Contents

AMERIS BANCORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(dollars in thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
Interest income				
Interest and fees on loans	**$ 31,573**	$ 26,355	**$ 62,332**	$ 49,831
Interest on taxable securities	**3,434**	2,950	**6,771**	5,692
Interest on nontaxable securities	**176**	127	**355**	225
Interest on deposits in other banks	**659**	390	**1,700**	1,057
Interest on federal funds sold	**1**	-	**92**	158
Total Interest Income	**35,842**	29,822	**71,251**	56,963
Interest expense				
Interest on deposits	**15,540**	9,979	**30,744**	18,607
Interest on federal funds purchased and securities sold under agreements to repurchase	**34**	48	**93**	81
Interest on other borrowings	**1,939**	2,122	**3,665**	4,210
Total Interest Expense	**17,512**	12,149	**34,503**	22,898
Net interest income	**18,330**	17,673	**36,748**	34,065
Provision for loan losses	**936**	901	**1,444**	1,411
Net interest income after provision for loan losses	**17,394**	16,772	**35,304**	32,654
Other income				
Service charges on deposit accounts	**3,066**	2,926	**5,936**	5,557
Mortgage banking activities	**799**	494	**1,482**	948
Other	**769**	430	**1,742**	1,230
Gain (loss) on sale of securities	**8**	(314)	**8**	(305)
Total Other Income	**4,643**	3,536	**9,168**	7,430
Other expense				
Salaries and employee benefits	**7,492**	6,042	**15,224**	12,666
Equipment and occupancy expense	**1,718**	1,544	**3,394**	2,897
Amortization of intangible assets	**324**	232	**649**	441
Other operating expenses	**4,245**	4,476	**8,956**	8,375
Total Other Expense	**13,780**	12,294	**28,224**	24,379
Income before income taxes	**8,257**	8,014	**16,248**	15,705
Applicable income taxes	**2,884**	2,699	**5,852**	5,290

Net income	**$ 5,373**	$ 5,315	**$ 10,397**	$ 10,415
Other comprehensive income, net of tax:				
Unrealized holding losses arising during period, net of tax	**(2,487)**	(2,440)	**(1,702)**	(3,251)
Reclassification for gains included in net income	-	207	-	201
	$ 2,886	**$ 3,082**	**$ 8,695**	**$ 7,365**
Income per common share-Basic	**$ 0.40**	$ 0.41	**$ 0.77**	$ 0.80
Income per common share-Diluted	**$ 0.39**	$ 0.40	**$ 0.76**	$ 0.79
Dividends declared per share	**$ 0.14**	$ 0.14	**$ 0.28**	$ 0.28
Average shares outstanding	**13,443,850**	12,951,765	**13,665,050**	13,118,881

Table of Contents

AMERIS BANCORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2007 AND 2006
(dollars in thousands)
(Unaudited)

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	**$ 10,397**	$ 10,415
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	**1,556**	1,341
Provision for loan losses	**1,444**	1,411
Amortization of intangible assets	**649**	441
Other prepaids, deferrals and accruals, net	**(10,796)**	(2,792)
Net cash provided by operating activities	**3,250**	10,816
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net decrease in federal funds sold and interest bearing deposits	**118,890**	2,285
Proceeds from maturities of securities available for sale	**17,771**	19,703
Purchase of securities available for sale	**(38,521)**	(61,665)
Proceeds from sales of securities available for sale	**982**	15,212
Net increase in loans	**(113,911)**	(144,451)
Purchases of premises and equipment	**(7,337)**	(2,360)
Net cash used in investing activities	**(22,126)**	(171,276)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in deposits	**(14,978)**	70,896
Net decrease in federal funds purchased and securities sold under agreements to repurchase	**(8,967)**	(6,538)
Increase in other borrowings	**30,000**	18,702
Dividends declared	**(3,844)**	(3,633)
Proceeds from exercise of stock options	**137**	283
Net cash provided by (used in) by financing activities	**2,348**	79,080
Net decrease in cash and due from banks	**$ (16,528)**	$ (81,380)
Cash and due from banks at beginning of period	**66,856**	145,274
Cash and due from banks at end of period	**$ 50,328**	$ 63,894

See notes to unaudited consolidated financial statements.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2007
(Unaudited)

Note 1 - Basis of Presentation & Accounting Policies

Ameris Bancorp, (the "Company" or "Ameris") is a financial holding company headquartered in Moultrie, Georgia. Ameris conducts the majority of its operations through its wholly owned banking subsidiary, Ameris Bank (the "Bank"). Ameris Bank currently operates 46 branches in Georgia, Alabama, Northern Florida and South Carolina. Our business model capitalizes on the efficiencies of a billion dollar financial services company while still providing the community with the personalized banking service expected by our customers. We manage our Bank through a balance of decentralized management responsibilities and efficient centralized operating systems, products and loan underwriting standards. Ameris' board of directors and senior managers establish corporate policy, strategy and administrative policies. Within Ameris' established guidelines and policies, each advisory board and senior managers make lending and community-specific decisions. This approach allows the banker closest to the customer to respond to the differing needs and demands of their unique market.

The accompanying unaudited consolidated financial statements for Ameris have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and Regulation S-X. Accordingly, the financial statements do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statement presentation. The interim consolidated financial statements included herein are unaudited, but reflect all adjustments which, in the opinion of management, are necessary for a fair presentation of the consolidated financial position and results of operations for the interim periods presented. All significant intercompany accounts and transactions have been eliminated in consolidation. The results of operations for the six months and quarter ended June 30, 2007 are not necessarily indicative of the results to be expected for the full year. These financial statements should be read in conjunction with the financial statements and notes thereto and the report of our registered independent public accounting firm included in the Company's Annual Report on Form 10-K for the year ended December 31, 2006.

Certain amounts reported as of December 31, 2006 or the period ended June 30, 2006 have been reclassified to conform with the presentation for June 30, 2007. These reclassifications had no effect on previously reported net income or stockholders' equity.

Note 2 – Recent Business Combinations

On December 29, 2006, Ameris acquired 100 percent of the outstanding common shares of Islands Bancorp and its banking subsidiary, Islands Community Bank, NA (collectively, "Islands"). Islands was headquartered in Beaufort, South Carolina where it operated a single branch with satellite loan production offices in Bluffton, South Carolina and Charleston, South Carolina. The consideration for the acquisition was a combination of cash and common stock with an aggregate purchase price of approximately $19,055,000. The total consideration consisted of $5,121,000 in cash, and approximately 494,000 shares of Ameris Bancorp common stock with a value of approximately $13,934,000. The value of the shares of common stock issued of $28.18 was based on the average closing price of Ameris common stock for the 10 trading days immediately preceding the merger. Islands results of operations for 2006 are not included in Ameris' consolidated financial results as the merger date occurred after close of business on the last day of the fiscal year.

Note 3 - Investment Securities

Ameris' investment policy blends the needs of the Company's liquidity and interest rate risk with its desire to improve income and provide funds for expected growth in loans. Under this policy, the Company generally invests in

obligations of the United States Treasury or other governmental or quasi-governmental agencies. Ameris' portfolio and investing philosophy concentrate activities in obligations where the credit risk is limited. For a small portion of Ameris' portfolio that has been found to present credit risk, the Company has reviewed the investments and financial performance of the obligors and believes the credit risk to be acceptable.

The amortized cost and estimated fair value of investment securities available for sale at June 30, 2007, December 31, 2006 and June 30, 2006 are presented below:

	June 30, 2007			
(dollars in thousands)	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Estimated Fair Value**
U. S. Government sponsered agencies	**$ 112,316**	**$ 3**	**$ (1,653)**	**$ 110,666**
State and municipal securities	**18,708**	**3**	**(452)**	**18,259**
Corporate debt securities	**9,808**	**16**	**(252)**	**9,572**
Mortgage backed securities	**165,126**	**46**	**(3,815)**	**161,357**
Marketable equity securities	**788**	**-**	**-**	**788**
	$ 306,746	**$ 68**	**$ (6,172)**	**$ 300,642**

	December 31, 2006			
(dollars in thousands)	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Estimated Fair Value**
U. S. Government sponsered agencies	$ 103,207	$ 31	$ (1,375)	$ 101,863
State and municipal securities	19,364	42	(472)	18,934
Corporate debt securities	9,852	40	(63)	9,829
Mortgage-backed securities	153,768	194	(2,144)	151,818
Marketable equity securities	788	-	(40)	748
	$ 286,979	$ 307	$ (4,094)	$ 283,192

	June 30, 2006			
(dollars in thousands)	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Estimated Fair Value**
U. S. Government sponsered agencies	$ 101,168	$ -	$ (3,031)	$ 98,137
State and municipal securities	16,439	9	(668)	15,780
Corporate debt securities	5,284	13	(119)	5,178
Mortgage-backed securities	142,423	9	(4,748)	137,684
Marketable equity securities	567	-	(64)	504
	$ 265,808	$ 32	$ (8,630)	$ 257,283

Table of Contents

Note 4 - Loans

The Company engages in a full complement of lending activities, including real estate-related loans, agriculture-related loans, commercial and financial loans and consumer installment loans. Ameris concentrates the majority of its lending activities on real estate loans where the historical loss percentages have been low. While risk of loss in the Company's portfolio is primarily tied to the credit quality of the various borrowers, risk of loss may increase due to factors beyond Ameris' control, such as local, regional and/or national economic downturns. General conditions in the real estate market may also impact the relative risk in the real estate portfolio. Of the target areas of lending activities, commercial and financial loans are generally considered to have a greater risk of loss than real estate loans or consumer installment loans.

The Company evaluates loans for impairment when a loan is risk rated as substandard or doubtful. The Company measures impairment based upon the present value of the loan's expected future cash flows discounted at the loan's effective interest rate, except where foreclosure or liquidation is probable or when the primary source of repayment is provided by real estate collateral. In these circumstances, impairment is measured based upon the estimated fair value of the collateral. In addition, in certain circumstances, impairment may be based on the loan's observable estimated fair value. Impairment with regard to substantially all of Ameris' impaired loans has been measured based on the estimated fair value of the underlying collateral. The Company's policy for recognizing interest income on impaired loans is consistent with its nonaccrual policy. At the time the contractual payments on a loan are deemed to be uncollectible, Ameris' policy is to record a charge-off against the allowance for loan losses.

Nonperforming assets include loans classified as nonaccrual or renegotiated and foreclosed assets. It is the general policy of the Company to stop accruing interest income and place the recognition of interest on a cash basis when any commercial, industrial or commercial real estate loan is 90 days or more past due as to principal or interest and/or the ultimate collection of either is in doubt, unless collection of both principal and interest is assured by way of collateralization, guarantees or other security. When a loan is placed on nonaccrual status, any interest previously accrued but not collected is reversed against current income unless the collateral for the loan is sufficient to cover the accrued interest or a guarantor assures payment of interest.

Loans are stated at unpaid balances, net of unearned income and deferred loan fees. Balances within the major loans receivable categories are represented in the following table:

(dollars in thousands)	June 30, 2007	December 31, 2006	June 30, 2006
Commercial and financial	**$ 158,628**	$ 174,852	$ 155,485
Agricultural	**46,279**	33,980	40,731
Real estate-construction	**380,617**	340,325	300,534
Real estate-mortgage, farmland	**96,834**	91,650	84,282
Real estate-mortgage, commercial	**465,208**	397,837	363,402
Real estate-mortgage, residential	**347,644**	339,843	320,822
Consumer installment loans	**56,419**	59,422	60,467
Other	**5,233**	5,042	4,990
	$ 1,556,862	$ 1,442,951	$ 1,330,713

Table of Contents

Note 5 - Allowance for Loan Losses

Activity in the allowance for loan losses for the six months ended June 30, 2007, for the year ended December 31, 2006 and for the six months ended June 30, 2006 is as follows:

(dollars in thousands)	June 30, 2007	December 31, 2006	June 30, 2006
Balance, January 1	**$ 24,863**	$ 22,294	$ 22,294
Provision for loan losses charged to expense	**1,444**	2,837	1,411
Loans charged off	**(2,113)**	(3,198)	(1,758)
Recoveries of loans previously charged off	**838**	1,906	1,419
Allowance for loan losses of acquired subsidiary	**-**	1,024	-
Ending balance	**$ 25,032**	$ 24,863	$ 23,366

Note 6 - Weighted Average Shares Outstanding

Earnings per share have been computed based on the following weighted average number of common shares outstanding for the three months and six months ended June 30, 2007 and 2006:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
	(share data in thousands)		(share data in thousands)	
Basic shares outstanding	**13,486**	12,985	**13,465**	12,969
Plus: Dilutive effect of ISOs	**170**	154	**182**	150
Plus: Dilutive effect of Restricted Grants	**7**	0	**18**	0
Diluted shares outstanding	**13,663**	13,139	**13,665**	13,119

Note 7 – Commitments and Contingencies

The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. These instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated balance sheets.

The contract amounts of those instruments reflect the extent of involvement the Company has in particular classes of financial instruments. The Company uses the same credit policies in making commitments and conditional obligations as are used for on-balance-sheet instruments.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

The Company issues standby letters of credit, which are conditional commitments issued to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements and expire in decreasing amounts with terms ranging from one to four years. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Company holds various assets as collateral supporting those commitments for which collateral is deemed necessary.

The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company upon extension of credit, is based on management's credit evaluation of the borrower. Collateral held may include accounts receivable, inventory, property, plant and equipment, residential real estate, and income-producing commercial properties on those commitments for which collateral is deemed necessary.

The following represent the Company's commitments to extend credit and standby letters of credit:

(dollars in thousands)	**June 30, 2007**	**June 30, 2006**
Commitments to extend credit	**$ 206,590**	$ 198,384
Standby letters of credit	**6,719**	7,178

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain of the statements made in this report are "forward-looking statements" within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions and future performance and involve known and unknown risks, uncertainties and other factors, many of which may be beyond our control and which may cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as "may," "will," "anticipate," "assume," "shoul "indicate," "would," "believe," "contemplate," "expect," "estimate," "continue," "plan," "point to," "project," "predict," "cou "potential" and other similar words and expressions of the future. These forward-looking statements may not be realized due to a variety of factors, including, without limitation, legislative and regulatory initiatives; additional competition in Ameris' markets; potential business strategies, including acquisitions or dispositions of assets or internal restructuring, that may be pursued by Ameris; state and federal banking regulations; changes in or application of environmental and other laws and regulations to which Ameris is subject; political, legal and economic conditions and developments; financial market conditions and the results of financing efforts; changes in commodity prices and interest rates; weather, natural disasters and other catastrophic events; and other factors discussed in Ameris' filings with the Securities and Exchange Commission under the Exchange Act.

All written or oral forward-looking statements that are made by or are attributable to us are expressly qualified in their entirety by this cautionary notice. Our forward-looking statements apply only as of the date of this report or the respective date of the document from which they are incorporated herein by reference. We have no obligation and do not undertake to update, revise or correct any of the forward-looking statements after the date of this report, or after the respective dates on which such statements otherwise are made, whether as a result of new information, future events or otherwise.

Overview

The following is management's discussion and analysis of certain significant factors which have affected the financial condition and results of operations of the Company as reflected in the unaudited consolidated statement of condition as of June 30, 2007 as compared to December 31, 2006 and operating results for the three-month and six-month periods ended June 30, 2007 as compared to the three-month and six-month periods ended June 30, 2006. These comments should be read in conjunction with the Company's unaudited consolidated financial statements and accompanying notes appearing elsewhere herein.

The Company's total assets increased $1.5 million from December 31, 2006 to $2.05 billion. Earning assets increased $12.5 million or 0.67% during the same period. Short term assets (federal funds sold and interest bearing deposits in banks) decreased $118.9 million due to an increase in loan demand and purchases of investment securities. Loans increased 7.9%, or $113.9 million, since December 2006, while the investment portfolio increased $17.5 million or 6.2%. Total deposits decreased by 0.88%, or $15.0 million, due primarily to decreases in brokered deposits that matured and were not replaced.

The growth in the balance sheet and earning assets contributed to solid growth in net interest income. Net interest income for the three months ended June 30, 2007 increased $657,000 or 3.7%, to $18.3 million compared to the three months ended June 30, 2006. Net interest income for the six months ended June 30, 2007 increased 7.9% to $36.7 million from $34.1 million for the six months ended June 30, 2006. This increase in net interest income is the result

of several factors, the most significant of which are the internal growth in earning assets, effective management of yields on earning assets and efforts to control the Company's cost of funds.

Return on average equity for the six months ended June 30, 2007 and 2006 was 11.43% and 13.78% respectively, on average equity of $185.2 million and $151.2 million, respectively. Return on average assets for the six months ended June 30, 2007 and 2006 was 1.04% and 1.21%, respectively. Decreases in profitability levels are mostly attributable to lower net interest margins.

The following table sets forth unaudited selected financial data for the previous five quarters and for the six-month periods ending June 30, 2007 and 2006. This data should be read in conjunction with the consolidated financial statements and the notes thereto and the information contained in this Item 2.

Table of Contents

(in thousands, except share data, taxable equivalent)	**2007**		**2006**		
	Second Quarter	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**
Results of Operations:					
Net interest income	**$ 18,330**	$ 18,419	$ 17,913	$ 17,897	$ 17,673
Net interest income (tax equivalent)	**18,722**	18,565	18,065	18,046	17,716
Provision for loan losses	**936**	507	713	713	901
Non-interest income	**4,643**	4,525	7,022	5,252	3,536
Non-interest expense	**13,780**	14,444	15,625	13,481	12,294
Net income	**5,373**	5,024	5,758	5,954	5,315
Selected Average Balances:					
Loans, net of unearned income	**$ 1,511,333**	$ 1,458,725	$ 1,377,824	$ 1,351,601	$ 1,289,354
Investment securities	**301,848**	292,979	272,769	266,450	270,842
Earning assets	**1,862,381**	1,837,001	1,776,925	1,682,425	1,585,473
Assets	**2,030,018**	2,014,040	1,946,772	1,851,073	1,733,204
Deposits	**1,693,020**	1,688,885	1,627,188	1,529,441	1,418,742
Shareholders' equity	**185,177**	181,645	169,135	155,922	152,329
Period-End Balances:					
Loans, net of unearned income	**$ 1,556,862**	$ 1,475,869	$ 1,442,951	$ 1,373,071	$ 1,330,713
Earning assets	**1,873,846**	1,870,687	1,861,375	1,787,735	1,614,638
Total assets	**2,049,073**	2,036,413	2,047,542	1,945,904	1,783,344
Deposits	**1,695,185**	1,712,507	1,710,163	1,640,966	1,446,128
Long-term obligations	**142,769**	117,769	112,769	118,556	164,816
Shareholders' equity	**184,099**	182,764	178,732	160,440	153,002
Per Common Share Data:					
Earnings per share-Basic	**$ 0.40**	$ 0.37	$ 0.44	$ 0.46	$ 0.41
	0.39	0.37	0.43	0.45	0.40

Earnings per share – Diluted					
Book value per share	**13.60**	13.51	13.24	12.31	11.75
End of period shares outstanding	**13,541,476**	13,527,520	13,553,002	13,033,193	13,021,510
Weighted average shares outstanding					
Basic	**13,485,683**	13,443,850	13,044,493	13,022,400	12,985,424
Diluted	**13,663,072**	13,667,509	13,269,289	13,226,055	13,139,130
Market Price:					
High Closing Price	**25.58**	28.15	28.99	27.77	23.01
Low Closing Price	**21.76**	23.11	25.77	20.99	20.03
Closing Price for Quarter	**22.47**	24.33	28.18	27.07	22.91
Trading volume (avg. daily)	**38,941**	41,130	23,016	36,957	21,949
Cash dividends per share	**0.14**	0.14	0.14	0.14	0.14
Price to earnings	**14.40**	16.54	16.38	14.79	14.11
Price to book value	**1.65**	1.81	2.13	2.21	1.97
Performance Ratios:					
Return on average assets	**1.06%**	1.01%	1.17%	1.28%	1.23%
Return on average equity	**11.64%**	11.22%	13.51%	15.15%	14.00%
Avg. loans as % of avg. deposits	**89.27%**	86.18%	84.68%	88.37%	90.88%
Net interest margin (tax equivalent)	**4.03%**	4.10%	4.03%	4.26%	4.48%
Average equity to average assets	**9.12%**	9.02%	8.69%	8.42%	8.74%
Efficiency ratio	**59.98%**	62.95%	62.66%	58.24%	57.97%

Table of Contents

Results of Operations for the Three Months Ended June 30, 2007 and 2006

Interest Income

Interest income for the three months ended June 30, 2007 was $35.8 million, an increase of $6.0 million, or 20.2%, compared to $29.8 million for the same period in 2006. Average earning assets for the three month period increased $276.9 million, or 17.5%, to $1.86 billion as of June 30, 2007, compared to $1.59 billion as of June 30, 2006. Yield on average earning assets increased to 7.80% from 7.58% for the quarters ended June 30, 2007 and 2006, respectively. The Company's increase in interest income is primarily attributable to higher levels in prevailing interest rates as well as continued growth from both internal sources and the acquisition of Islands Bancorp on December 31, 2006.

Interest Expense

Interest expense on deposits for the three months ended June 30, 2007 was $15.5 million, an increase of $5.6 million from the three months ended June 30, 2006. Total funding costs for the Company (deposits and wholesale borrowings) increased $5.4 million, or 44.1%, to $17.5 million for the three months ended June 30, 2007, compared to $12.1 million for the three months ended June 30, 2006. Total cost of funding for the Company increased substantially to 3.84% from 3.10% during the second quarter of 2006. The increase in the cost of funding relates mostly to an aggressive effort by the Company to seize market share in larger, metro markets. This aggressive position on pricing new deposits periodically influences existing balances and raises the cost of funding by more than just incremental inflows of deposits. The Company's focus has been largely centered on demand deposits (interest-bearing and non interest-bearing) which have increased to $777.2 million or 25.4% from June 30, 2006.

Net Interest Income

Net interest income for the three months ended June 30, 2007 increased $657,000 or 3.7%, to $18.3 million compared to the same quarter in 2006. The Company's net interest margin decreased over the same period from 4.50% during the second quarter of 2006 to 4.03% in the second quarter of 2007. The increase in net interest income relates to continued double digit growth in earning assets, offset somewhat by the lower net interest margins. Net interest margins in the second quarter of 2006 were unusually high for the Company as interest rates continued to move higher during the quarter and the Company's balance sheet had higher levels of asset sensitivity. During the last half of 2006 and continuing into the first part of 2007 management took steps to remove excess levels of asset sensitivity and while current margins are lower than historical levels, management believes these levels are less volatile.

Provision for Loan Losses

The provision for loan losses was $936,000 for the three months ended June 30, 2007, compared to $901,000 for the same quarter in 2006. The amount of provision for loan losses is determined using the Company's methodology that grades each loan and determines the reserve necessary for the portfolio based on those grades. Management believes that the present allowance for loan losses is adequate at June 30, 2007.

Non-interest Income

Non-interest income was $4.6 million for the three months ended June 30, 2007, an increase of $1.1 million from the amount reported in the second quarter of 2006. Service charges on deposit accounts increased 4.8% to $3.1 million due to higher levels of demand deposits and higher fee structures implemented during the second half of 2006. Income from mortgage banking activities increased 61.8% to $799,000 during the second quarter of 2007 when compared to the same quarter in 2006. This increase in mortgage income relates mostly to the placement of additional mortgage loan officers in many of the Company's markets and increased sales effectiveness from existing mortgage officers from sales training and referral activity in the Bank.

Non-interest Expense

Non-interest expenses for the second quarter of 2007 were $13.8 million, an increase of $1.5 million from the second quarter of 2006. Salaries and employee benefits increased $1.5 million to $7.5 million during the quarter due to the recent acquisition of Islands Bancorp on December 31, 2006 as well as additional new hires across the Company's other growth markets. Occupancy increased slightly to $1.7 million during the second quarter of 2007 from $1.5 million during the same quarter in 2006. New offices opened during the last half of 2006, as well as expenses associated with office remodeling, have contributed to higher levels of occupancy and equipment expenses. Other non-interest expenses decreased approximately $231,000 to $4.2 million in the second quarter of 2007 compared to the second quarter in 2006. These decreases relate mostly to tighter controls over discretionary spending in response to lower levels of net interest margin.

Income Taxes

The amount of income tax expense is influenced by the amount of taxable income and the amount of tax-exempt income. For the three months ended June 30, 2007 and 2006, the provision for taxes was $2.9 million and $2.7 million, respectively. The effective tax rates for the three months ended June 30, 2007 and 2006 was 34.9% and 33.7%, respectively.

Results of Operations for the Six Months Ended June 30, 2007 and 2006

Interest Income

Interest income for the six months ended June 30, 2007 was $71.3 million, an increase of $14.3 million, or 25.1%, compared to $57.0 million for the same period in 2006. Average earning assets for the six- month period increased $276.9 million, or 17.5%, to $1.86 billion as of June 30, 2007 compared to $1.59 billion as of June 30, 2006. Yield on average earning assets increased 64 basis points to 7.83% from 7.36% for the six months ended June 30, 2007 and 2006, respectively.

Interest Expense

Interest expense on deposits and other borrowings for the six months ended June 30, 2007 was $34.5 million, an $11.6 million, or 50.7%, increase from June 30, 2006. While average interest bearing liabilities increased $261.4 million, or 19.1% to $1.63 billion for the six months ended June 30, 2007 compared to $1.37 billion for the six months ended June 30, 2006, the yield on average interest bearing liabilities increased 89 basis points to 4.27% from 3.38% as of June 30, 2007 and 2006, respectively. The increases in interest expense are driven primarily by a higher interest rate environment and a more aggressive stance on deposit sales.

Net Interest Income

Net interest income for the six months ended June 30, 2007 increased $2.7 million, or 7.9%, to $36.7 million compared to $34.0 million for the same period ending June 30, 2006. The Company's net interest margin decreased to 4.07% for the six months ended June 30, 2007 compared to 4.41% as of June 30, 2006.

Provision for Loan Losses

The provision for loan losses was unchanged at $1.4 million for the six months ended June 30, 2007 as compared to the same period in 2006. Total non-performing assets increased to $18.3 million at June 30, 2007 from $9.3 million at June 30, 2006. For the six month period ending June 30, 2007, Ameris had net charge-offs of $1.3 million compared to $339,000 for the same period in 2006. Changes in credit quality are discussed further under the heading "Loans and Allowance for Loan Losses".

Table of Contents

Non-interest Income

Non-interest income for the first six months of 2007 was up $1.7 million, or 23.4%, compared to the same time period a year ago. Service charges on deposit accounts increased 6.8%, or $379,000 due to higher number of deposit accounts. Mortgage banking activities include origination fees, service release premiums and the gain on the sales of mortgage loans held-for-sale. Mortgage banking activities for the six months ended June 30, 2007 totaled $1.5 million, an increase of $534,000 or 56.4%, compared to $948,000 in the six months ended June 30, 2006. During the second quarter of 2006, the Company recognized a $315,000 loss on the sale of securities to restructure a portion of the investment portfolio with no similar gain or loss during 2007.

Non-interest Expense

Non-interest expense for the first six months of 2007 was $28.2 million. This represents a $3.8 million increase over the prior year period which totaled $24.4 million. The increase in non-interest expense is attributable to salaries and employee benefits increasing $2.6 million, net occupancy and equipment increasing $497,000, amortization expense increasing $208,000 and other expense increasing $581,000.

At June 30, 2007, Ameris had 604 full-time equivalent employees compared to 585 full-time equivalent employees at June 30, 2006. 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 that opened 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 while reducing the number of back office and non-customer contact roles.

Salaries and employee benefits for the six months ended June 30, 2007 were $2.6 million higher than during the same period in 2006. The majority of this increase is attributable to the acquisition of Islands Bancorp on December 31, 2006, as well as additional new hires across the Company's other growth markets.

Occupancy and equipment expense increased $497,000 to $3.4 million for the six months ended June 30, 2007 as compared to the same period of 2006. New offices opened during the last half of 2006, as well as limited remodeling expenses, contributed to higher levels of occupancy and equipment expenses.

Other expenses for the six months ended June 30, 2007 increased $581,000 when compared to the same time period for 2006. Most of this increase is attributable to additional expenses related to the new presence in South Carolina.

The Company's efficiency ratio (operating expenses as a percent of total revenue) increased to 59.98% for the six months ended June 30, 2007 from 58.75% for the six months ended June 30, 2006.

Income Taxes

The amount of income tax expense is influenced by the amount of taxable income and the amount of tax-exempt income. For the six months ended June 30, 2007 and 2006, the provision for taxes was $5.9 million and $5.3 million, respectively. The effective tax rate for the six months ended June 30, 2007 was 36.0% compared to 33.7% for the same period in 2006.

Table of Contents

Capital

Capital management consists of providing equity to support both current and anticipated future operations. The Company is subject to capital adequacy requirements imposed by the Federal Reserve Board (the "FRB") and the Georgia Department of Banking and Finance (the "GDBF"), and the Bank is subject to capital adequacy requirements imposed by the Federal Deposit Insurance Corporation (the "FDIC"), and the GDBF.

The FRB, the FDIC, and the GDBF have adopted risk-based capital requirements for assessing bank holding company and bank capital adequacy. These standards define and establish minimum capital requirements in relation to assets and off-balance sheet exposure, adjusted for credit risk. The risk-based capital standards currently in effect are designed to make regulatory capital requirements more sensitive to differences in risk profiles among bank holding companies and banks and to account for off-balance sheet exposure.

The minimum requirements established by the regulators are set forth in the table below, along with the actual ratios at June 30, 2007 and 2006.

	Well Capitalized Requirement	Adequately Capitalized Requirement	June 30, 2007 Actual	June 30, 2006 Actual
Tier 1 Capital (to Average Assets)	≥5%	≥4%	**8.59%**	8.63%
Tier 1 Capital (to Risk Weighted Assets)	≥6%	≥4%	**10.74%**	10.75%
Total Capital (to Risk Weighted Assets)	≥10%	≥8%	**11.99%**	12.01%

Management believes that the Company and the Bank met all capital requirements to which they are subject as of June 30, 2007.

Table of Contents

Loans and Allowance for Loan Losses

At June 30, 2007, gross loans outstanding were $1.56 billion, an increase of $226.1 million, or 17.0%, over gross loans at June 30, 2006. The growth in the loan portfolio was attributable to a consistent focus on quality loan production and expansion into faster growing markets over the past couple years. The Company constantly monitors the composition of the loan portfolio to evaluate the adequacy of the allowance for loan losses in light of the impact that changes in the economic environment may have on the loan portfolio.

The Company primarily focuses on the following loan categories: (1) commercial and financial, (2) real estate construction, (3) residential mortgage, (4) commercial real estate, (5) agricultural and farmland related, and (6) consumer loans. The Company's management has strategically located its branches in Georgia, Florida, Alabama and South Carolina and has taken advantage of the growth in these areas.

The allowance for loan losses is a reserve established through charges to earnings in the form of a provision for loan losses. The provision for loan losses is based on management's evaluation of the size and composition of the loan portfolio, the level of non-performing and past due loans, historical trends of charged-off loans and recoveries, prevailing economic conditions and other factors management deems appropriate. The Company's management has established an allowance for loan losses which it believes is adequate for the risk of loss inherent in the loan portfolio. Based on a credit evaluation of the loan portfolio, management presents a monthly review of the allowance for loan losses to the Company's Board of Directors. The review that management has developed primarily focuses on risk by evaluating the level of loans in certain risk categories that management quantifies through the use of eight loan grades. By grading the loan portfolio in this manner the Company's management is able to effectively evaluate the portfolio by risk, which management believes is the most effective way to analyze the loan portfolio and thus analyze the adequacy of the allowance for loan losses.

The Company's risk management processes include a loan review program designed to evaluate the credit risk in the loan portfolio and insure credit grade accuracy. Through the loan review process, the Company maintains a loan portfolio summary analysis, charge-off and recoveries analysis, trends in accruing problem loan analysis, and problem and past due loan analysis which serve as tools to assist management in assessing the overall quality of the loan portfolio and the adequacy of the allowance for loan losses. Loans classified as "substandard" are loans which are inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged. These assets exhibit a well-defined weakness or are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. These weaknesses may be characterized by past due performance, operating losses and/or questionable collateral values. Loans classified as "doubtful" are those loans that have characteristics similar to substandard loans but have an increased risk of loss. Loans classified as "loss" are those loans which are considered uncollectible and are in the process of being charged-off.

The allowance for loan losses is established by examining (1) the large classified loans, nonaccrual loans and loans considered impaired and evaluating them individually to determine the specific reserve allocation, and (2) the remainder of the loan portfolio to allocate a portion of the allowance based on past loss experience and the economic conditions for the particular loan category. The Company will also consider other factors such as changes in lending policies and procedures; changes in national, regional, and/or local economic and business conditions; changes in the nature and volume of the loan portfolio; changes in the experience, ability and debt of either the bank president or lending staff; changes in the volume and severity of past due and classified loans; changes in the quality of the Company's corporate loan review system; and other factors management deems necessary. Historically, we believe our estimates of the level of allowance for loan losses required have been appropriate and our expectation is that the primary factors considered in the provision calculation will continue to be consistent with prior trends.

For the six month period ending June 30, 2007, the Company recorded net charge-offs totaling $1.3 million for the period compared to $339,000 for the same period in 2006. The majority of the charge-offs recorded during the first six months of 2007 relate to loans where management had previously identified a problem and accrued certain specific

reserves through the provision for loan losses. The provision for loan losses was $1.4 million for both the six month periods ended June 30, 2007 and 2006. The allowance for loan losses totaled $25.0 million, or 1.61% of total loans at June 30, 2007, compared to $23.4 million, or 1.76% of total loans, at June 30, 2006.

The following table presents an analysis of the allowance for loan losses for the six month periods ended June 30, 2007 and 2006:

(dollars in thousands)	June 30, 2007	June 30, 2006
Balance of allowance for loan losses at beginning of period	**$ 24,863**	$ 22,294
Provision charged to operating expense	**1,444**	1,411
Charge-offs:		
Commercial	**1,312**	334
Installment	**228**	330
Real estate	**573**	1,019
Agriculture	**0**	3
Other	**0**	72
Total charge-offs	**2,113**	1,758
Recoveries:		
Commercial	**549**	691
Installment	**221**	309
Real estate	**68**	362
Agriculture	**0**	32
Other	**0**	25
Total recoveries	**838**	1,419
Net charge-offs (recoveries)	**1,275**	339
Balance of allowance for loan losses at end of period	**$ 25,032**	$ 23,366
Net annualized (charge-offs) recoveries as a percentage of average loans	**0.16%**	0.05%
Reserve for loan losses as a percentage of loans at end of period	**1.61%**	1.76%

Table of Contents

Non-Performing Assets

Non-performing assets include nonaccrual loans, accruing loans contractually past due 90 days or more, repossessed personal property, and other real estate. Loans are placed on nonaccrual status when management has concerns relating to the ability to collect the principal and interest and generally when such loans are 90 days or more past due. A loan is considered impaired when it is probable that not all principal and interest amounts will be collected according to the loan contract. When a loan is placed on nonaccrual status, any interest previously accrued but not collected is reversed against current income.

Non-performing assets increased to $18.3 million at June 30, 2007 from $8.7 million at December 31, 2006. The majority of this increase involves two loan relationships that management believes are reserved for adequately based on exhaustive reviews of borrower strength and collateral values.

(dollars in thousands)	June 30, 2007	December 31, 2006
Total nonaccrual loans	**$ 16,201**	$ 6,877
Accruing loans delinquent 90 days or more	**-**	-
Other real estate owned and repossessed collateral	**2,084**	1,838
Total non-performing assets	**$ 18,285**	$ 8,715

Table of Contents

Interest Rate Sensitivity and Liquidity

The Company's primary market risk exposures are credit, interest rate risk and to a lesser degree, liquidity risk. The Bank operates under an Asset Liability Management Policy approved by the Company's Board of Directors and the Asset and Liability Committee (the "ALCO Committee"). The policy outlines limits on interest rate risk in terms of changes in net interest income and changes in the net market values of assets and liabilities over certain changes in interest rate environments. These measurements are made through a simulation model which projects the impact of changes in interest rates on the Bank's assets and liabilities. The policy also outlines responsibility for monitoring interest rate risk, and the process for the approval, implementation and monitoring of interest rate risk strategies to achieve the Bank's interest rate risk objectives.

The ALCO Committee is comprised of senior officers of Ameris and two outside members of the Company's Board of Directors. The ALCO Committee monitors strategic decisions with respect to the sources and uses of funds that may affect net interest income, including net interest spread and net interest margin. The objective of the ALCO Committee is to identify the interest rate, liquidity and market value risks of the Company's balance sheet and use reasonable methods approved by the Company's board and executive management to minimize those identified risks.

The normal course of business activity exposes the Company to interest rate risk. Interest rate risk is managed within an overall asset and liability framework for the Company. The principal objectives of asset and liability management are to predict the sensitivity of net interest spreads to potential changes in interest rates, control risk and enhance profitability. Funding positions are kept within predetermined limits designed to properly manage risk and liquidity. The Company employs sensitivity analysis in the form of a net interest income simulation to help characterize the market risk arising from changes in interest rates. In addition, fluctuations in interest rates usually result in changes in the fair market value of the Company's financial instruments, cash flows and net interest income. The Company's interest rate risk position is monitored by the ALCO Committee.

The Company uses a simulation modeling process to measure interest rate risk and evaluate potential strategies. Interest rate scenario models are prepared using software created and licensed from an outside vendor. The Company's simulation includes all financial assets and liabilities. Simulation results quantify interest rate risk under various interest rate scenarios. Management then develops and implements appropriate strategies. The ALCO Committee has determined that an acceptable level of interest rate risk would be for net interest income to decrease no more than 5.00% given a change in selected interest rates of 200 basis points over any 24 month period.

Liquidity management involves the matching of the cash flow requirements of customers, who may be either depositors desiring to withdraw funds or borrowers needing assurance that sufficient funds will be available to meet their credit needs, and the ability of Ameris to manage those requirements. The Company strives to maintain an adequate liquidity position by managing the balances and maturities of interest-earning assets and interest-bearing liabilities so that the balance it has in short-term investments at any given time will adequately cover any reasonably anticipated immediate need for funds. Additionally, the Bank maintains relationships with correspondent banks, which could provide funds on short notice, if needed. The Company has invested in Federal Home Loan Bank stock for the purpose of establishing credit lines with the Federal Home Loan Bank. The credit availability to the Bank is equal to 20% of the Bank's total assets as reported on the most recent quarterly financial information submitted to the regulators subject to the pledging of sufficient collateral. At June 30, 2007, there were $101.4 million in advances outstanding with the Federal Home Loan Bank.

The following liquidity ratios compare certain assets and liabilities to total deposits or total assets:

	June 30,	March 31,	December 31, 2006	September 30, 2006	June 30,

	2007	2007			2006
Total securities to total deposits	**17.74%**	**17.54%**	16.55%	16.24%	17.79%
Total loans (net of unearned income) to total deposits	**91.84%**	**86.18%**	84.37%	83.67%	92.02%
Interest-earning assets to total assets	**91.44%**	**91.86%**	90.90%	91.87%	90.54%
Interest-bearing deposits to total deposits	**88.15%**	**88.45%**	87.04%	86.17%	86.07%

The liquidity resources of the Company are monitored continuously by the ALCO Committee and on a periodic basis by state and federal regulatory authorities. As determined under guidelines established by these regulatory authorities, the Company's and the Bank's liquidity ratios at June 30, 2007 were considered satisfactory. The Company is aware of no events or trends likely to result in a material change in liquidity.

Table of Contents

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed only to U. S. dollar interest rate changes, and, accordingly, the Company manages exposure by considering the possible changes in the net interest margin. The Company does not have any trading instruments nor does it classify any portion of the investment portfolio as held for trading. The Company's hedging activities are limited to cash flow hedges and are part of the Company's program to manage interest rate sensitivity. At June 30, 2007, the Company had two effective interest rate floors with notional amounts totaling $70 million. These floors are hedging specific cash flows associated with certain variable rate loans and have strike rates of 7.00%. Maturities range from September 2009 to September 2011. Finally, the Company has no exposure to foreign currency exchange rate risk, commodity price risk and other market risks.

Interest rates play a major part in the net interest income of a financial institution. The sensitivity to rate changes is known as "interest rate risk". The repricing of interest-earning assets and interest-bearing liabilities can influence the changes in net interest income. As part of the Company's asset/liability management program, the timing of repriced assets and liabilities is referred to as "Gap management".

The Company uses simulation analysis to monitor changes in net interest income due to changes in market interest rates. The simulation of rising, declining and flat interest rate scenarios allows management to monitor and adjust interest rate sensitivity to minimize the impact of market interest rate swings. The analysis of the impact on net interest income over a twelve-month period is subjected to a gradual 200 basis point increase or decrease in market rates on net interest income and is monitored on a quarterly basis.

Additional information required by Item 305 of Regulation S-K is set forth under Item 2 of this report.

Table of Contents

Item 4. Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer have evaluated the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this report, as required by paragraph (b) of Rules 13a-15 or 15d-15 of the Exchange Act. Based on such evaluation, such officers have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures are effective.

During the quarter ended June 30, 2007, there was not any change in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 of the Exchange Act that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Table of Contents

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Item 1A. of Part 1 in our Annual Report on Form 10-K for the year ended December 31, 2007.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Table of Contents

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of our security holders by solicitation of proxies or otherwise during the second quarter of 2007.

Item 5. Other Information

None.

Item 6. Exhibits

The following are filed with this report.

31.1	Rule 13a-14(a)/15d-14(a) Certification by the Company's Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification by the Company's Chief Financial Officer
32.1	Section 1350 Certification by the Company's Chief Executive Officer
32.2	Section 1350 Certification by the Company's Chief Financial Officer

Table of Contents

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERIS BANCORP

Date: August 9, 2007

/s/Dennis J. Zember, Jr.
Dennis J. Zember, Jr.,
Executive Vice President and Chief Financial Officer
(duly authorized signatory and principal financial officer)

Table of Contents

EXHIBIT INDEX

Exhibit No.	Description
31.1	Rule 13a-14(a)/15d-14(a) Certification by the Company's Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification by the Company's Chief Financial Officer
32.1	Section 1350 Certification by the Company's Chief Executive Officer
32.2	Section 1350 Certification by the Company's Chief Financial Officer