

Ameris Bancorp
Form 10-Q
August 09, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2016

OR

**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.)

310 FIRST STREET, S.E., 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 No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

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Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act). Yes No

There were 34,873,100 shares of Common Stock outstanding as of August 1, 2016.

AMERIS BANCORP

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Item 1. Financial Statements.**AMERIS BANCORP AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****(dollars in thousands, except per share data)**

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)	June 30, 2015 (Unaudited)
Assets			
Cash and due from banks	\$ 116,255	\$ 118,518	\$ 115,413
Federal funds sold and interest-bearing accounts	68,273	272,045	239,804
Investment securities available for sale, at fair value	843,646	783,185	862,154
Other investments	19,125	9,323	9,322
Mortgage loans held for sale, at fair value	102,757	111,182	108,829
Loans, net of unearned income	2,819,071	2,406,877	2,171,600
Purchased loans not covered by FDIC loss-share agreements (“purchased non-covered loans”)	1,072,217	771,554	808,313
Purchased loan pools not covered by FDIC loss-share agreements (“purchased loan pools”)	610,425	592,963	268,984
Purchased loans covered by FDIC loss-share agreements (“covered loans”)	121,418	137,529	209,598
Less: allowance for loan losses	(21,734)	(21,062)	(21,658)
Loans, net	4,601,397	3,887,861	3,436,837
Other real estate owned, net	13,765	16,147	22,567
Purchased, non-covered other real estate owned, net	13,928	14,333	13,112
Covered other real estate owned, net	2,742	5,011	12,626
Total other real estate owned, net	30,435	35,491	48,305
Premises and equipment, net	123,978	121,639	124,916
FDIC loss-share receivable, net	-	6,301	14,957
Other intangible assets, net	20,574	17,058	19,189
Goodwill	121,422	90,082	87,367
Cash value of bank owned life insurance	77,095	64,251	59,552
Other assets	96,337	72,004	79,089
Total assets	\$ 6,221,294	\$ 5,588,940	\$ 5,205,734
Liabilities and Stockholders' Equity			
Liabilities			
Deposits:			

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Noninterest-bearing	\$ 1,553,972	\$ 1,329,857	\$ 1,280,174
Interest-bearing	3,625,560	3,549,433	3,231,373
Total deposits	5,179,532	4,879,290	4,511,547
Securities sold under agreements to repurchase	37,139	63,585	75,066
FDIC loss-share payable, net	1,897	-	-
Other borrowings	260,191	39,000	39,000
Other liabilities	33,050	22,432	24,026
Subordinated deferrable interest debentures	83,570	69,874	69,325
Total liabilities	5,595,379	5,074,181	4,718,964
Stockholders' Equity			
Preferred stock, stated value \$1,000; 5,000,000 shares authorized; 0 shares issued and outstanding	-	-	-
Common stock, par value \$1; 100,000,000 shares authorized; 36,303,163; 33,625,162 and 33,608,866 issued	36,303	33,625	33,609
Capital surplus	408,549	337,349	336,212
Retained earnings	181,701	152,820	126,265
Accumulated other comprehensive income	12,960	3,353	3,072
Treasury stock, at cost, 1,455,852; 1,413,777 and 1,413,777 shares	(13,598)	(12,388)	(12,388)
Total stockholders' equity	625,915	514,759	486,770
Total liabilities and stockholders' equity	\$ 6,221,294	\$ 5,588,940	\$ 5,205,734

See notes to unaudited consolidated financial statements.

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Interest income				
Interest and fees on loans	\$ 54,164	\$ 39,838	\$ 103,355	\$ 78,456
Interest on taxable securities	4,554	3,747	9,140	6,900
Interest on nontaxable securities	454	462	900	931
Interest on deposits in other banks and federal funds sold	168	182	504	310
Total interest income	59,340	44,229	113,899	86,597
Interest expense				
Interest on deposits	2,915	2,264	5,656	4,544
Interest on other borrowings	1,836	1,277	3,218	2,533
Total interest expense	4,751	3,541	8,874	7,077
Net interest income	54,589	40,688	105,025	79,520
Provision for loan losses	889	2,656	1,570	3,725
Net interest income after provision for loan losses	53,700	38,032	103,455	75,795
Noninterest income				
Service charges on deposit accounts	10,436	7,151	20,351	13,580
Mortgage banking activity	14,142	9,727	24,353	17,810
Other service charges, commissions and fees	967	829	2,078	1,497
Gain on sale of securities	-	10	94	22
Other noninterest income	2,834	2,909	5,789	5,292
Total noninterest income	28,379	20,626	52,665	38,201
Noninterest expense				
Salaries and employee benefits	27,531	22,465	53,718	43,097
Occupancy and equipment expense	6,371	4,809	12,071	9,363
Advertising and marketing expense	854	833	1,659	1,474
Amortization of intangible assets	1,319	630	2,339	1,260
Data processing and communications costs	6,049	4,214	12,162	8,474
Credit resolution-related expenses	1,764	11,240	3,563	14,401
Merger and conversion charges	-	5,712	6,359	5,727
Other noninterest expenses	8,471	6,961	16,088	13,895
Total noninterest expense	52,359	56,864	107,959	97,691
Income before income tax expense	29,720	1,794	48,161	16,305
Income tax expense	9,671	486	15,795	5,233
Net income	20,049	1,308	32,366	11,072
Other comprehensive income (loss)				

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Unrealized holding gains (losses) arising during period on investment securities available for sale, net of tax of \$3,630, \$1,901, \$5,641 and \$1,561	6,742	(3,531)	10,476	(2,881)
Reclassification adjustment for gains included in earnings, net of tax of \$0, \$3, \$33 and \$8	-	(6)	(61)	(14)
Unrealized gains (losses) on cash flow hedges arising during period, net of tax of \$104, \$138, \$435 and \$70	(193)	256	(808)	(131)
Other comprehensive income (loss)	6,549	(3,281)	9,607	(3,026)
Total comprehensive income (loss)	\$ 26,598	\$ (1,973)	\$ 41,973	\$ 8,046
Basic earnings per common share	\$ 0.58	\$ 0.04	\$ 0.96	\$ 0.35
Diluted earnings per common share	\$ 0.57	\$ 0.04	\$ 0.95	\$ 0.35
Dividends declared per common share	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.10
Weighted average common shares outstanding				
Basic	34,833	32,184	33,792	31,318
Diluted	35,153	32,520	34,107	31,653

See notes to unaudited consolidated financial statements.

AMERIS BANCORP AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY****(dollars in thousands, except per share data)****(Unaudited)**

	Six Months Ended June 30, 2016		Six Months Ended June 30, 2015	
	Shares	Amount	Shares	Amount
COMMON STOCK				
Balance at beginning of period	33,625,162	\$33,625	28,159,027	\$28,159
Issuance of common stock	2,549,469	2,549	5,320,000	5,320
Issuance of restricted shares	110,653	111	71,000	71
Cancellation of restricted shares	(3,085)	(3)	-	-
Proceeds from exercise of stock options	20,964	21	58,839	59
Issued at end of period	36,303,163	\$36,303	33,608,866	\$33,609
CAPITAL SURPLUS				
Balance at beginning of period		\$337,349		\$225,015
Stock-based compensation		1,009		760
Issuance of common shares, net of issuance costs of \$0 and \$4,811		69,906		109,569
Issuance of restricted shares		(111)		(71)
Cancellation of restricted shares		3		-
Proceeds from exercise of stock options		393		939