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, 2012

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 x 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 x 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):

Large accelerated filer	¨	Accelerated filer	x
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 x

There were 23,819,144 shares of Common Stock outstanding as of July 27, 2012.

AMERIS BANCORP

TABLE OF CONTENTS

Table of Contents

Item 1. Financial Statements.

AMERIS BANCORP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Dollars in Thousands)

	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)	June 30, 2011 (Unaudited)
Assets			
Cash and due from banks	$ 60,126	$ 65,528	$ 68,552
Federal funds sold and interest bearing accounts	111,251	229,042	218,330
Investment securities available for sale, at fair value	366,980	339,967	334,376
Other investments	7,884	9,878	10,354
Mortgage loans held for sale	19,659	11,563	
Loans	1,365,489	1,332,086	1,360,063
Covered loans	601,737	571,489	486,489
Less: allowance for loan losses	26,198	35,156	34,523
Loans, net	1,941,028	1,868,419	1,812,029
Other real estate owned	40,018	50,301	61,533
Covered other real estate owned	83,467	78,617	63,583
Total other real estate owned	123,485	128,918	125,116
FDIC indemnification asset	203,801	242,394	160,927
Premises and equipment, net	75,192	73,124	65,925
Intangible assets, net	3,767	3,250	3,745
Goodwill	956	956	956
Other assets	6,182	21,268	56,927
Total assets	$ 2,920,311	$ 2,994,307	$ 2,857,237
Liabilities and Stockholders Equity			
Liabilities			
Deposits:			
Noninterest-bearing	$ 429,113	$ 395,347	$ 318,004
Interest-bearing	2,115,559	2,196,219	2,193,359
Total deposits	2,544,672	2,591,566	2,511,363
Securities sold under agreements to repurchase	19,800	37,665	17,136
Other borrowings	3,810	20,000	
Other liabilities	8,821	9,037	9,311
Subordinated deferrable interest debentures	42,269	42,269	42,269
Total liabilities	2,619,372	2,700,537	2,580,079
Commitments and contingencies			
Stockholders Equity			
Preferred stock, stated value $1,000; 5,000,000 shares authorized; 52,000 shares issued	51,044	50,727	50,419

Common stock, par value $1; 100,000,000 shares authorized; 25,155,318, 25,087,468 and 25,102,218 issued	25,155	25,087	25,102
Capital surplus	166,685	166,639	166,170
Retained earnings	61,081	54,852	38,888
Accumulated other comprehensive income	7,805	7,296	7,410
Treasury stock, at cost, 1,336,174 shares	(10,831)	(10,831)	(10,831)
Total stockholders equity	300,939	293,770	277,158
Total liabilities and stockholders equity	$ 2,920,311	$ 2,994,307	$ 2,857,237

See notes to unaudited consolidated financial statements.

1

Table of Contents

AMERIS BANCORP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(dollars in thousands, except per share data)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Interest income				
Interest and fees on loans	$ 30,334	$ 32,876	$ 59,816	$ 61,847
Interest on taxable securities	2,187	2,574	4,496	5,232
Interest on nontaxable securities	374	314	739	634
Interest on deposits in other banks and federal funds sold	112	159	238	347
Total interest income	33,007	35,923	65,289	68,060
Interest expense				
Interest on deposits	3,635	6,828	7,719	14,200
Interest on other borrowings	491	351	962	906
Total interest expense	4,126	7,179	8,681	15,106
Net interest income	28,881	28,747	56,608	52,954
Provision for loan losses	7,225	9,115	20,107	16,158
Net interest income after provision for loan losses	21,656	19,632	36,501	36,796
Noninterest income				
Service charges on deposit accounts	4,770	4,665	9,156	8,932
Mortgage banking activity	3,006	376	4,481	826
Other service charges, commissions and fees	322	273	713	515
Gain on acquisitions			20,037	
Gain on sale of securities		14		238
Other noninterest income	777	646	1,752	1,656
Total noninterest income	8,875	5,974	36,139	12,167
Noninterest expense				
Salaries and employee benefits	12,125	9,421	23,571	19,264
Equipment and occupancy expenses	2,880	2,752	6,215	5,482
Amortization of intangible assets	412	242	632	505
Data processing and telecommunications expenses	2,905	2,452	4,830	4,848
Advertising and marketing expenses	364	149	713	312
Other non-interest expenses	7,937	7,580	24,908	13,340
Total noninterest expense	26,623	22,596	60,869	43,751
Income before income tax expense	3,908	3,010	11,771	5,212
Applicable income tax expense	1,413	896	3,911	1,720

Net income	$ 2,495	$ 2,114	$ 7,860	$ 3,492
Preferred stock dividends	817	807	1,632	1,605
Net income available to common shareholders	$ 1,678	$ 1,307	$ 6,228	$ 1,887
Other comprehensive income				
Unrealized holding gain arising during period on investment securities available for sale, net of tax	1,934	2,250	1,244	1,988
Reclassification adjustment for gains included in net loss, net of tax		(8)		(154)
Unrealized loss on cash flow hedges arising during period, net of tax	(642)	(574)	(736)	(628)
Other comprehensive income	1,292	1,668	508	1,206
	$ 2,970	$ 2,975	$ 6,736	$ 3,093
Basic and Diluted earnings per share	$ 0.07	$ 0.06	$ 0.26	$ 0.08
Weighted Average Common Shares Outstanding				
Basic	23,819	23,449	23,791	23,445
Diluted	23,973	23,508	23,945	23,491

See notes to unaudited consolidated financial statements.

2

Table of Contents

AMERIS BANCORP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY

(dollars in thousands, except per share data)

(Unaudited)

	Six Months Ended June 30, 2012		Six Months Ended June 30, 2011	
	Shares	**Amount**	**Shares**	**Amount**
PREFERRED STOCK				
Balance at beginning of period	52,000	$ 50,727	52,000	$ 50,121
Accretion of fair value of warrant		317		298
Issued at end of period	**52,000**	**$ 51,044**	**52,000**	**$ 50,419**
COMMON STOCK				
Issued at beginning of period	25,087,468	$ 25,087	24,982,911	$ 24,983
Issuance of restricted shares	67,450	67	125,075	125
Cancellation of restricted shares			(7,000)	(7)
Proceeds from exercise of stock options	400	1	1,232	1
Issued at end of period	**25,155,318**	**$ 25,155**	**25,102,218**	**$ 25,102**
CAPITAL SURPLUS				
Balance at beginning of period		$ 166,639		$ 165,930
Stock-based compensation		111		349
Proceeds from exercise of stock options		2		9
Issuance of restricted shares		(67)		(125)
Cancellation of restricted shares				7
Balance at end of period		**$ 166,685**		**$ 166,170**
RETAINED EARNINGS				
Balance at beginning of period		$ 54,852		$ 37,000
Net income		7,860		3,492
Dividends on preferred shares		(1,314)		(1,306)
Accretion of fair value of warrant		(317)		(298)
Balance at end of period		**$ 61,081**		**$ 38,888**
ACCUMULATED OTHER COMPREHENSIVE INCOME, NET OF TAX				
Unrealized gains on securities and derivatives:				
Balance at beginning of period		$ 7,296		$ 6,204
Other comprehensive income		509		1,206
Balance at end of period		**$ 7,805**		**$ 7,410**
TREASURY STOCK				
Balance at beginning of period		$ 10,831		$ 10,831
Purchase of treasury shares				
Balance at end of period		**$ 10,831**		**$ 10,831**
TOTAL STOCKHOLDERS EQUITY		**$ 300,939**		**$ 277,158**

See notes to unaudited consolidated financial statements.

Table of Contents

AMERIS BANCORP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Thousands)

(Unaudited)

	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Cash Flows From Operating Activities:		
Net income	$ 7,860	$ 3,492
Adjustments reconciling net income to net cash provided by operating activities:		
Depreciation	2,331	2,168
Net gains on sale or disposal of premises and equipment	(1)	(139)
Net losses or write-downs on sale of other real estate owned	8,065	3,570
Provision for loan losses	20,107	16,158
Gain on acquisitions	(23,037)	
Amortization of intangible assets	632	505
Net change in mortgage loans held for sale	(8,096)	
Net gains on securities available for sale		(238)
Change in other prepaids, deferrals and accruals, net	14,163	(15,659)
Net cash provided by operating activities	25,024	9,857
Cash Flows From Investing Activities, net of effect of business combinations:		
Net (increase)/decrease in federal funds sold and interest bearing deposits	117,791	42,932
Proceeds from maturities of securities available for sale	52,737	37,430
Purchase of securities available for sale	(63,757)	(85,556)
Proceeds from sales of securities available for sale	28,923	39,388
Net decrease in loans	1,691	33,819
Proceeds from sales of other real estate owned	33,920	21,361
Proceeds from sales of premises and equipment	346	1,105
Purchases of premises and equipment	(4,744)	(2,459)
Decrease in FDIC indemnification asset	91,247	16,260
Net cash proceeds received from FDIC-assisted acquisitions	65,050	
Net cash provided by investing activities	323,204	104,280
Cash Flows From Financing Activities, net of effect of business combinations:		
Net decrease in deposits	(307,930)	(24,063)
Net decrease in securities sold under agreements to repurchase	(17,865)	(51,048)
Decrease in other borrowings	(26,524)	(43,495)
Dividends paid preferred stock	(1,314)	(1,305)
Proceeds from exercise of stock options	3	
Net cash used in financing activities	(353,630)	(119,911)
Net decrease in cash and due from banks	$ (5,402)	$ (5,774)
Cash and due from banks at beginning of period	65,528	74,326
Cash and due from banks at end of period	$ 60,126	$ 68,552

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid/(received) during the period for:		
Interest	$ 9,928	$ 16,044
Income taxes	$ 48	$ 902

See notes to unaudited consolidated financial statements.

4

Table of Contents

AMERIS BANCORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Unaudited)

NOTE 1 BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Ameris Bancorp (the Company or Ameris) is a financial holding company headquartered in Moultrie, Georgia. Ameris conducts substantially all of its operations through its wholly-owned banking subsidiary, Ameris Bank (the Bank). At June 30, 2012, the Bank operated 67 branches in select markets in Georgia, Alabama, Florida and South Carolina. Our business model capitalizes on the efficiencies of a large 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, the banker closest to the customer responds 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 period ended June 30, 2012 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, 2011.

Newly Adopted Accounting Pronouncements

ASU 2011-04 *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04). ASU 2011-04 generally represents clarifications of Topic 820, but also includes some instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. ASU 2011-04 results in common principles and requirements for measuring fair value and for disclosing information about fair value measurements. ASU 2011-04 is to be applied prospectively and is effective during interim and annual periods beginning after December 15, 2011 for public companies. It did not have a material impact on the Company s results of operations, financial position or disclosures.

ASU 2011-05 *Amendments to Topic 220, Comprehensive Income* (ASU 2011-05). ASU 2011-05 grants an entity the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders equity. ASU 2011-05 does not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. For public entities, ASU 2011-05 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, and is to be adopted retrospectively. It did not have a material impact on the Company s results of operations, financial position or disclosures.

ASU 2011-08 *Intangibles Goodwill and Other (Topic 350) Testing Goodwill for Impairment* (ASU 2011-08). ASU 2011-08 grants an entity the option to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. This conclusion can be used as a basis for determining whether it is necessary to perform the two-step goodwill impairment test required in Topic 350. ASU 2011-08 is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. It is not expected to have a material impact on the Company s results of operations, financial position or disclosures.

Fair Value of Financial Instruments

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Company s various financial instruments. In cases where quoted market prices are not available, fair value is based on discounted cash flows or other valuation techniques. These techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The accounting standard for disclosures about the fair value of financial instruments excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Company.

Table of Contents

The Company has elected to record mortgage loans held-for-sale at fair value in order to eliminate the complexities and inherent difficulties of achieving hedge accounting and to better align reported results with the underlying economic changes in value of the loans and related hedge instruments. This election impacts the timing and recognition of origination fees and costs, as well as servicing value, which are now recognized in earnings at the time of origination. Interest income on mortgage loans held-for-sale is recorded on an accrual basis in the consolidated statement of income under the heading Interest income interest and fees on loans . The servicing value is included in the fair value of the Interest Rate Lock Commitments (IRLCs) with borrowers. The mark to market adjustments related to loans held-for-sale and the associated economic hedges are captured in mortgage banking activities.

The fair value hierarchy describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following methods and assumptions were used by the Company in estimating the fair value of its financial instruments and other accounts recorded based on their fair value:

Cash and Due From Banks, Federal Funds Sold and Interest-Bearing Accounts: The carrying amount of cash and due from banks, federal funds sold and interest-bearing accounts approximates fair value.

Investment Securities Available for Sale: The fair value of securities available for sale is determined by various valuation methodologies. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Level 2 securities include mortgage-backed securities issued by government sponsored enterprises and municipal bonds. The level 2 fair value pricing is provided by an independent third-party and is based upon similar securities in an active market. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy and include certain residual municipal securities and other less liquid securities.

Other Investments: Federal Home Loan Bank (FHLB) stock is included in other investments at its original cost basis, as cost approximates fair value and there is no ready market for such investments.

Mortgage Loans Held-for-Sale: The fair value of mortgage loans held-for-sale is determined on outstanding commitments from third party investors in the secondary markets and are classified within Level 2 of the valuation hierarchy.

Loans: The carrying amount of variable-rate loans that reprice frequently and have no significant change in credit risk approximates fair value. The fair value of fixed-rate loans is estimated based on discounted contractual cash flows, using interest rates currently being offered for loans with similar terms to borrowers with similar credit quality. The fair value of impaired loans is estimated based on discounted expected future cash flows or underlying collateral values, where applicable. A loan is determined to be impaired if the Company believes it is probable that all principal and interest amounts due according to the terms of the loan will not be collected as scheduled. The fair value of impaired loans is determined in accordance with accounting standards and generally results in a specific reserve established through a charge to the provision for loan losses. Losses on impaired loans are charged to the allowance when management believes the uncollectability of a loan is confirmed. Management has determined that the majority of impaired loans are Level 2 assets due to the extensive use of market appraisals. To the extent that market appraisals or other methods do not produce reliable determinations of fair value, these assets are deemed to be Level 3.

Other Real Estate Owned: The fair value of other real estate owned (OREO) is determined using certified appraisals that value the property at its highest and best uses by applying traditional valuation methods common to the industry. The Company does not hold any OREO for profit purposes and all other real estate is actively marketed for sale. In most cases, management has determined that additional write-downs are required beyond what is calculable from the appraisal to carry the property at levels that would attract buyers. Because this additional write-down is not based on observable inputs, management has determined that other real estate owned should be classified as Level 3.

Covered Assets: Covered assets include loans and other real estate owned on which the majority of losses would be covered by loss-sharing agreements with the Federal Deposit Insurance Corporation (the FDIC). Management initially valued these assets at fair value using mostly unobservable inputs and, as such, has classified these assets as Level 3.

Table of Contents

Intangible Assets and Goodwill: Intangible assets consist of core deposit premiums acquired in connection with business combinations and are based on the established value of acquired customer deposits. The core deposit premium is initially recognized based on a valuation performed as of the consummation date and is amortized over an estimated useful life of three to ten years. Goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired in a business combination. Goodwill and other intangible assets deemed to have an indefinite useful life are not amortized but instead are subject to an annual review for impairment.

FDIC Indemnification Asset: Because the FDIC will reimburse the Company for certain acquired loans should the Company experience a loss, an indemnification asset is recorded at fair value at the acquisition date. The indemnification asset is recognized at the same time as the indemnified loans and measured on the same basis, subject to collectability or contractual limitations. The shared- loss agreements on the acquisition date reflect the reimbursements expected to be received from the FDIC, using an appropriate discount rate which reflects counterparty credit risk and other uncertainties. The shared-loss agreements continue to be measured on the same basis as the related indemnified loans, and the loss-share receivable is impacted by changes in estimated cash flows associated with these loans.

Deposits: The carrying amount of demand deposits, savings deposits and variable-rate certificates of deposit approximates fair value. The fair value of fixed-rate certificates of deposit is estimated based on discounted contractual cash flows using interest rates currently offered for certificates with similar maturities.

Securities Sold under Agreements to Repurchase and Other Borrowings: The carrying amount of variable rate borrowings and securities sold under repurchase agreements approximates fair value. The fair value of fixed rate other borrowings is estimated based on discounted contractual cash flows using the current incremental borrowing rates for similar borrowing arrangements.

Subordinated Deferrable Interest Debentures: The carrying amount of the Company s variable rate trust preferred securities approximates fair value.

Off-Balance-Sheet Instruments: Because commitments to extend credit and standby letters of credit are typically made using variable rates and have short maturities, the carrying value and fair value are immaterial for disclosure.

Derivatives: The Company has entered into derivative financial instruments to manage interest rate risk. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivatives. This analysis reflects the contractual terms of the derivative, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The fair value of the derivatives are determined using the market standard methodology of netting the discounted future fixed cash receipts and the discounted expected variable cash payments. The variable cash payments are based on an expectation of future interest rates (forward curves derived from observable market interest rate curves).

The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty s nonperformance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting any applicable credit enhancements such as collateral postings, thresholds, mutual puts and guarantees.

Although the Company has determined that the majority of the inputs used to value its derivative fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself or the counterparty. However, as of June 30, 2012, December 31, 2011 and June 30, 2011, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustment is not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuation in its entirety is classified in Level 2 of the fair value hierarchy.

Table of Contents

The carrying amount and estimated fair value of the Company s financial instruments, not shown elsewhere in these financial instruments, were as follows:

	Carrying Amount	Fair Value Measurements at June 30, 2012 Using: Level 1	Level 2	Level 3	Total
	(Dollars in Thousands)				
Financial assets:					
Loans, net	$ 1,941,028	$	$ 1,975,541	$	$ 1,975,541
Financial liabilities:					
Deposits	2,544,672		2,546,740		2,546,740
Other borrowings	3,810	3,835			3,835

	December 31, 2011 Carrying Amount	Fair Value	June 30, 2011 Carrying Amount	Fair Value
	(Dollars in Thousands)			
Financial assets:				
Loans, net	$ 1,868,419	$ 1,877,320	$ 1,812,029	$ 1,818,152
Financial liabilities:				
Deposits	2,591,566	2,593,113	2,511,363	2,513,459
Other borrowings	20,000	20,936		

The following table presents the fair value measurements of assets and liabilities measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall as of June 30, 2012 and 2011 and December 31, 2011 (dollars in thousands):

	Fair Value Measurements on a Recurring Basis As of June 30, 2012			
	Fair Value	Level 1	Level 2	Level 3
U.S. government agencies	$ 8,898	$	$ 8,898	$
State, county and municipal securities	100,327	5,432	94,895	
Corporate debt securities	11,506	250	9,256	2,000
Mortgage backed securities	246,249	5,086	241,163	
Mortgage loans held for sale	19,659		19,659	
Total recurring assets at fair value	$ 386,639	$ 10,768	$ 373,871	$ 2,000
Derivative financial instruments	$ 2,970	$	$ 2,970	
Total recurring liabilities at fair value	$ 2,970	$	$ 2,970	$

	Fair Value Measurements on a Recurring Basis As of December 31, 2011			
	Fair Value	Level 1	Level 2	Level 3
U.S. government agencies	$ 14,937	$	$ 14,937	$
State, county and municipal securities	79,133	2,966	76,167	
Corporate debt securities	11,401		9,401	2,000
Mortgage backed securities	234,496	3,302	231,194	
Derivative financial instruments	(2,049)		(2,049)	
Total recurring assets at fair value	$ 337,918	$ 6,268	$ 329,650	$ 2,000

	Fair Value Measurements on a Recurring Basis As of June 30, 2011			
	Fair Value	Level 1	Level 2	Level 3
U.S. government agencies	$ 24,259	$	$ 24,259	$
State, county and municipal securities	60,546	2,367	58,179	
Corporate debt securities	9,722		7,722	2,000
Mortgage backed securities	239,849	8,153	231,696	
Derivative financial instruments	243		243	
Total recurring assets at fair value	$ 334,619	$ 10,520	$ 322,099	$ 2,000

Table of Contents

The following table is a presentation of the valuation methodologies used for instruments measured at fair value on a nonrecurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy as of June 30, 2012 and 2011 and December 31, 2011 (dollars in thousands):

	Fair Value Measurements on a Nonrecurring Basis As of June 30, 2012			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Impaired loans carried at fair value	$ 60,277	$	$ 60,277	$
Other real estate owned	40,018			40,018
Covered loans	601,737			601,737
Covered other real estate owned	83,467			83,467
Total non-recurring assets at fair value	$ 785,499	$	$ 60,277	$ 725,222

	Fair Value Measurements on a Nonrecurring Basis As of December 31, 2011			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Impaired loans carried at fair value	$ 70,296	$	$ 70,296	$
Other real estate owned	50,301			50,301
Covered loans	571,489			571,489
Covered other real estate owned	78,617			78,617
Total nonrecurring assets at fair value	$ 770,703	$	$ 70,296	$ 700,407

	Fair Value Measurements on a Nonrecurring Basis As of June 30, 2011			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Impaired loans carried at fair value	$ 60,545	$	$ 60,545	$
Other real estate owned	61,533			61,533
Covered loans	486,489			486,489
Covered other real estate owned	63,583			63,583
Total nonrecurring assets at fair value	$ 672,150	$	$ 60,545	$ 611,605

Below is the Company s reconciliation of Level 3 assets as of June 30, 2012 (dollars in thousands):

	Investment Securities Available for Sale	**Other Real Estate Owned**	**Covered Loans**	**Covered Other Real Estate**
Beginning balance January 1, 2012	$ 2,000	$ 50,301	$ 571,489	$ 78,617
Total gains/(losses) included in net income		(8,065)		
Purchases, sales, issuances, and settlements, net		(12,609)	50,232	(15,134)
Transfers in or out of Level 3		10,391	(19,984)	19,984
Ending balance June 30, 2012	$ 2,000	$ 40,018	$ 601,737	$ 83,467

Table of Contents

NOTE 2 INVESTMENT SECURITIES

Ameris investment policy blends the Company s liquidity needs and interest rate risk management with its desire to increase income and provide funds for expected growth in loans. The investment securities portfolio consists primarily of U.S. government sponsored mortgage-backed securities and agencies, state, county and municipal securities and corporate debt securities. Ameris portfolio and investing philosophy concentrate activities in obligations where the credit risk is limited. For the small portion of Ameris portfolio 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, 2012, December 31, 2011 and June 30, 2011 are presented below:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(Dollars in Thousands)		
June 30, 2012:				
U. S. government agencies	$ 8,602	$ 296	$	$ 8,898
State, county and municipal securities	95,354	5,047	(74)	100,327
Corporate debt securities	11,792	231	(517)	11,506
Mortgage-backed securities	239,412	7,032	(195)	246,249
Total securities	$ 355,160	$ 12,606	$ (786)	$ 366,980
December 31, 2011:				
U. S. government agencies	$ 14,670	$ 267	$	$ 14,937
State, county and municipal securities	75,665	3,558	(90)	79,133
Corporate debt securities	11,640	167	(406)	11,401
Mortgage-backed securities	228,085	6,559	(148)	234,496
Total securities	$ 330,060	$ 10,551	$ (644)	$ 339,967
June 30, 2011:				
U. S. government agencies	$ 24,056	$ 203	$	$ 24,259
State, county and municipal securities	58,636	1,950	(40)	60,546
Corporate debt securities	11,637	242	(2,157)	9,722
Mortgage-backed securities	234,437	5,979	(567)	239,849
Total securities	$ 328,766	$ 8,374	$ (2,764)	$ 334,376

The amortized cost and fair value of available-for-sale securities at June 30, 2012 by contractual maturity are summarized in the table below. Expected maturities for mortgage-backed securities may differ from contractual maturities because in certain cases borrowers can prepay obligations without prepayment penalties. Therefore, these securities are not included in the following maturity summary:

	Amortized Cost	Fair Value
	(Dollars in Thousands)	
Due in one year or less	$ 9,306	$ 9,320
Due from one year to five years	18,553	19,264
Due from five to ten years	51,174	54,892
Due after ten years	36,715	37,255
Mortgage-backed securities	239,412	246,249

	$ 355,160	$ 366,980

Securities with a carrying value of approximately $201.2 million serve as collateral to secure public deposits and other purposes required or permitted by law at June 30, 2012.

Table of Contents

The following table details the gross unrealized losses and fair value of securities aggregated by category and duration of continuous unrealized loss position at June 30, 2012, December 31, 2011 and June 30, 2011.

	Less Than 12 Months		12 Months or More		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(Dollars in Thousands)			
June 30, 2012:						
U. S. government agencies	$	$	$	$	$	$
State, county and municipal securities	10,342	(73)			10,342	(73)
Corporate debt securities			6,562	(518)	6,562	(518)
Mortgage-backed securities	31,680	(167)	5,040	(28)	36,720	(195)
Total temporarily impaired securities	$ 42,022	$ (240)	$ 11,602	$ (546)	$ 53,624	$ (786)
December 31, 2011:						
U. S. government agencies	$	$	$	$	$	$
State, county and municipal securities	10,134	(90)			10,134	(90)
Corporate debt securities	100		6,681	(406)	6,781	(406)
Mortgage-backed securities	20,929	(148)			20,929	(148)
Total temporarily impaired securities	$ 31,163	$ (238)	$ 6,681	$ (406)	$ 37,844	$ (644)
June 30, 2011:						
U. S. government agencies	$	$	$	$	$	$
State, county and municipal securities	3,844	(39)	203	(1)	4,047	(40)
Corporate debt securities	100	(1)	4,936	(2,156)	5,036	(2,157)
Mortgage-backed securities	60,926	(567)			60,926	(567)
Total temporarily impaired securities	$ 64,870	$ (607)	$ 5,139	$ (2,158)	$ 70,009	$ (2,764)

NOTE 3 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 within select markets in Georgia, Alabama, Florida and South Carolina. Ameris concentrates the majority of its lending activities in real estate loans. 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.

Commercial, financial and agricultural loans include both secured and unsecured loans for working capital, expansion, crop production, and other business purposes. Short-term working capital loans are secured by non-real estate collateral such as accounts receivable, crops, inventory and equipment. The Company evaluates the financial strength, cash flow, management, credit history of the borrower and the quality of the collateral securing the loan. The Bank often requires personal guarantees and secondary sources of repayment on commercial, financial and agricultural loans.

Real estate loans include construction and development loans, commercial and farmland loans and residential loans. Construction and development loans include loans for the development of residential neighborhoods, construction of one-to-four family residential construction loans to builders and consumers, and commercial real estate construction loans, primarily for owner-occupied properties. The Company limits its construction lending risk through adherence to established underwriting procedures. Commercial real estate loans include loans secured by owner-occupied commercial buildings for office, storage, retail, farmland and warehouse space. They also include non-owner occupied commercial buildings such as leased retail and office space. Commercial real estate loans may be larger in size and may involve a greater degree of risk than one-to-four family residential mortgage loans. Payments on such loans are often dependent on successful operation or management of the properties. The Company s residential loans represent permanent mortgage financing and are secured by residential properties located within the Bank s market areas.

Consumer installment loans and other loans include automobile loans, boat and recreational vehicle financing, and both secured and unsecured personal loans. Consumer loans carry greater risks than other loans, as the collateral can consist of rapidly depreciating assets such as automobiles and equipment that may not provide an adequate source of repayment of the loan in the case of default.

Table of Contents

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

(Dollars in Thousands)	June 30, 2012	December 31, 2011	June 30, 2011
Commercial, financial and agricultural	$ 174,903	$ 142,960	$ 150,377
Real estate construction and development	124,556	130,270	143,684
Real estate commercial and farmland	675,404	672,765	681,228
Real estate residential	332,124	330,727	336,485
Consumer installment	41,431	37,296	35,584
Other	17,071	18,068	12,705
	$ 1,365,489	$ 1,332,086	$ 1,360,063

Covered loans are defined as loans that were acquired in FDIC-assisted transactions that are covered by a loss-sharing agreement with the FDIC. Covered loans totaling $601.7 million, $571.5 million and $486.5 million at June 30, 2012, December 31, 2011 and June 30, 2011, respectively, are not included in the above schedule.

Covered loans are shown below according to loan type as of the end of the periods shown:

(Dollars in Thousands)	June 30, 2012	December 31, 2011	June 30, 2011
Commercial, financial and agricultural	$ 41,372	$ 41,867	$ 42,494
Real estate construction and development	83,991	77,077	79,540
Real estate commercial and farmland	322,393	321,257	229,924
Real estate residential	150,683	127,644	129,721
Consumer installment	3,298	3,644	4,810
	$ 601,737	$ 571,489	$ 486,489

Nonaccrual and Past Due Loans

A loan is placed on nonaccrual status when, in management s judgment, the collection of the interest income appears doubtful. Interest receivable that has been accrued and is subsequently determined to have doubtful collectability is charged to interest income. Interest on loans that are classified as non-accrual is recognized when received. Past due loans are loans whose principal or interest is past due 90 days or more. In some cases, where borrowers are experiencing financial difficulties, loans may be restructured to provide terms significantly different from the original contractual terms.

The following table presents an analysis of non-covered loans accounted for on a nonaccrual basis:

(Dollars in Thousands)	June 30, 2012	December 31, 2011	June 30, 2011
Commercial, financial and agricultural	$ 4,968	$ 3,987	$ 5,439
Real estate construction and development	8,979	15,020	13,714
Real estate commercial and farmland	13,728	35,385	24,205
Real estate residential	15,542	15,498	16,625
Consumer installment	1,204	933	562
	$ 44,421	$ 70,823	$ 60,545

The following table presents an analysis of covered loans accounted for on a nonaccrual basis:

(Dollars in Thousands)	June 30, 2012	December 31, 2011	June 30, 2011
Commercial, financial and agricultural	$ 13,406	$ 11,952	$ 11,809
Real estate construction and development	28,225	30,977	31,131
Real estate commercial and farmland	71,271	75,458	55,771
Real estate residential	37,669	41,139	36,129
Consumer installment	654	473	705
	$ 151,225	$ 159,999	$ 135,545

Table of Contents

The following table presents an analysis of non-covered past due loans as of June 30, 2012, December 31, 2011 and June 30, 2011.

	Loans 30-59 Days Past Due	Loans 60-89 Days Past Due	Loans 90 or More Days Past Due	Total Loans Past Due	Current Loans	Total Loans	Loans 90 Days or More Past Due and Still Accruing
				(Dollars in Thousands)			
As of June 30, 2012:							
Commercial, financial & agricultural	$ 531	$ 701	$ 4,371	$ 5,603	$ 169,300	$ 174,903	$
Real estate construction & development	1,986	2,119	7,855	11,960	112,596	124,556	
Real estate commercial & farmland	5,282	6,930	8,597	20,809	654,595	675,404	
Real estate residential	5,665	3,885	14,782	24,332	307,792	332,124	
Consumer installment loans	545	220	1,117	1,883	39,548	41,431	1
Other					17,071	17,071	
Total	$ 14,009	$ 13,855	$ 36,722	$ 64,587	$ 1,300,902	$ 1,365,489	$ 1

	Loans 30-59 Days Past Due	Loans 60-89 Days Past Due	Loans 90 or More Days Past Due	Total Loans Past Due	Current Loans	Total Loans	Loans 90 Days or More Past Due and Still Accruing
				(Dollars in Thousands)			
As of December 30, 2011:							
Commercial, financial & agricultural	$ 1,103	$ 705	$ 3,975	$ 5,783	$ 137,177	$ 142,960	$
Real estate construction & development	2,395	1,507	13,608	17,510	112,760	130,270	
Real estate commercial & farmland	6,686	7,071	32,953	46,710	626,055	672,765	
Real estate residential	5,229	4,995	12,874	23,098	307,629	330,727	
Consumer installment loans	963	305	725	1,993	35,303	37,296	
Other					18,068	18,068	
Total	$ 16,376	$ 14,583	$ 64,135	$ 95,094	$ 1,236,992	$ 1,332,086	$

	Loans 30-59 Days Past Due	Loans 60-89 Days Past Due	Loans 90 or More Days Past Due	Total Loans Past Due	Current Loans	Total Loans	Loans 90 Days or More Past Due and Still Accruing
				(Dollars in Thousands)			
As of June 30, 2011:							
Commercial, financial & agricultural	$ 653	$ 282	$ 5,334	$ 6,269	$ 144,108	$ 150,377	$
Real estate construction & development	1,551	1,243	13,194	15,988	127,696	143,684	
Real estate commercial & farmland	8,494	807	23,898	33,199	648,029	681,228	
Real estate residential	5,086	2,729	14,539	22,354	314,131	336,485	
Consumer installment loans	525	178	493	1,196	34,388	35,584	
Other					12,705	12,705	
Total	$ 16,309	$ 5,239	$ 57,458	$ 79,006	$ 1,281,057	$ 1,360,063	$

13

Table of Contents

The following table presents an analysis of covered past due loans as of June 30, 2012, December 31, 2011 and June 30, 2011.

	Loans 30-59 Days Past Due	Loans 60-89 Days Past Due	Loans 90 or More Days Past Due	Total Loans Past Due	Current Loans	Total Loans	Loans 90 Days or More Past Due and Still Accruing
			(Dollars in Thousands)				
As of June 30, 2012:							
Commercial, financial & agricultural	$ 851	$ 754	$ 12,703	$ 14,308	$ 27,064	$ 41,372	$ 298
Real estate construction & development	2,688	3,007	25,021	30,716	53,275	83,991	
Real estate commercial & farmland	12,452	7,656	60,879	80,987	241,406	322,393	891
Real estate residential	5,366	3,180	31,607	40,153	110,530	150,683	78
Consumer installment loans	70	40	430	540	2,758	3,298	
Total	$ 21,427	$ 14,637	$ 130,640	$ 166,704	$ 435,033	$ 601,737	$ 1,267

	Loans 30-59 Days Past Due	Loans 60-89 Days Past Due	Loans 90 or More Days Past Due	Total Loans Past Due	Current Loans	Total Loans	Loans 90 Days or More Past Due and Still Accruing
			(Dollars in Thousands)				
As of December 30, 2011:							
Commercial, financial & agricultural	$ 968	$ 4,297	$ 11,253	$ 16,518	$ 25,349	$ 41,867	$
Real estate construction & development	2,444	1,318	27,867	31,629	45,448	77,077	
Real estate commercial & farmland	18,282	8,544	64,091	90,917	230,340	321,257	165
Real estate residential	3,485	1,493	35,950	40,928	86,716	127,644	290
Consumer installment loans	127	270	440	837	2,807	3,644	
Total	$ 25,306	$ 15,922	$ 139,601	$ 180,829	$ 390,660		