

Ameris Bancorp
Form 10-K
March 14, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2013, or

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

For the transition period from _____ to _____.
Commission File Number

001-13901

AMERIS BANCORP

(Exact name of registrant as specified in its charter)

GEORGIA
(State of incorporation)

58-1456434
(IRS Employer ID No.)

310 FIRST ST., SE, MOULTRIE, GA 31768
(Address of principal executive offices)

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

Securities registered pursuant to Section 12(b) of the Act: Common Stock, Par Value \$1 Per Share

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act. Yes No

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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer 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

As of the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting and non-voting common equity held by nonaffiliates of the registrant was approximately \$387.4 million.

As of February 28, 2014, the registrant had outstanding 25,167,502 shares of common stock, \$1.00 par value per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 2014 Annual Meeting of Shareholders are incorporated herein into Part III by reference.

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CAUTIONARY NOTICE

REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K (this Annual Report) under the caption Management's Discussion and Analysis of Financial Condition and Results of Operations, and elsewhere, including information incorporated herein by reference to other documents, are forward-looking statements within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended (the Securities Act), 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 Ameris Bancorp 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, should, intend, expect, could, might, may, may not, could, could be, might be, may be, may not be, may or may not, may or may not be, may be able to, may not be able to, may be able to do so, may not be able to do so, may be able to do so or may not be able to do so, may be able to do so or may not be able to do so, may be able to do so or may not be able to do so, may be able to do so or may not be able to do so, 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, those described in Part I, Item 1A., Risk Factors, and elsewhere in this report and those described from time to time in our future reports filed with the Securities and Exchange Commission (the SEC) 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 Annual 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 Annual Report, or after the respective dates on which such statements otherwise are made, whether as a result of new information, future events or otherwise.

PART I

As used in this Annual Report, the terms we, us, our, Ameris and the Company refer to Ameris Bancorp and its subsidiaries (unless the context indicates another meaning).

ITEM 1. BUSINESS

OVERVIEW

We are a financial holding company whose business is conducted primarily through our wholly owned banking subsidiary, Ameris Bank (the Bank), which provides a full range of banking services to its retail and commercial customers who are primarily concentrated in select markets in Georgia, Alabama, Florida and South Carolina. Ameris was incorporated on December 18, 1980 as a Georgia corporation. The Company's executive office is located at 310 First St., S.E., Moultrie, Georgia 31768, our telephone number is (229) 890-1111 and our internet address is www.amerisbank.com. We operate 68 domestic banking offices with no foreign activities. At December 31, 2013, we had approximately \$3.67 billion in total assets, \$2.52 billion in total loans, \$3.00 billion in total deposits and stockholders' equity of \$316.7 million. Our deposits are insured, up to applicable limits, by the Federal Deposit

Insurance Corporation (the FDIC).

We make our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act available free of charge on our website at www.amerisbank.com as soon as reasonably practicable after we electronically file such material with the SEC. These reports are also available without charge on the SEC's website at www.sec.gov.

The Parent Company

Our primary business as a bank holding company is to manage the business and affairs of the Bank. As a bank holding company, we perform certain shareholder and investor relations functions and seek to provide financial support, if necessary, to the Bank.

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Ameris Bank

Our principal subsidiary is the Bank, which is headquartered in Moultrie, Georgia and operates branches primarily concentrated in select markets in Georgia, Alabama, Florida and South Carolina. These branches serve distinct communities in our business areas with autonomy but do so as one bank, leveraging our favorable geographic footprint in an effort to acquire more customers.

Capital Trust Securities

On September 20, 2006, the Company completed a private placement of an aggregate of \$36 million of trust preferred securities. The placement occurred through a statutory trust subsidiary of Ameris, Ameris Statutory Trust I (the Trust). The trust preferred securities carry a quarterly adjustable interest rate of 1.63% over the 3-Month LIBOR. The trust preferred securities mature on December 15, 2036, and became redeemable at the Company's option on September 15, 2011.

On December 16, 2005, Ameris acquired First National Banc, Inc. (FNB) by merger. In connection with such transaction, Ameris assumed the obligations of FNB related to its prior issuance of trust preferred securities. In 2004, FNB's statutory trust subsidiary, First National Banc Statutory Trust I, issued \$5,000,000 in principal amount of trust preferred securities at a rate per annum equal to the 3-Month LIBOR plus 2.80% through a pool sponsored by a national brokerage firm. These trust preferred securities have a maturity of 30 years and are redeemable at the Company's option on any quarterly interest payment date.

On December 23, 2013, Ameris acquired The Prosperity Banking Company (Prosperity) by merger. In connection with such transaction, Ameris assumed the obligations of Prosperity related to the following issuances of trust preferred securities: (i) in 2003, Prosperity's statutory trust subsidiary, Prosperity Bank Statutory Trust II, issued \$4,500,000 in principal amount of trust preferred securities at a rate per annum equal to the 3-Month LIBOR plus 3.15%; (ii) in 2004, Prosperity's statutory trust subsidiary, Prosperity Banking Capital Trust 1, issued \$5,000,000 in principal amount of trust preferred securities at a rate per annum equal to the 90-Day LIBOR plus 2.57%; (iii) in 2006, Prosperity's statutory trust subsidiary, Prosperity Bank Statutory Trust III, issued \$10,000,000 in principal amount of trust preferred securities at a rate per annum equal to the 90-Day LIBOR plus 1.60%; and (iv) in 2007, Prosperity's statutory trust subsidiary, Prosperity Bank Statutory Trust IV, issued \$10,000,000 in principal amount of trust preferred securities at a rate per annum equal to the 90-Day LIBOR plus 1.54%. Each of the foregoing issuances was consummated through a pool sponsored by a national brokerage firm. These trust preferred securities have a maturity of 30 years and are redeemable at the Company's option on any quarterly interest payment date.

See the Notes to our Consolidated Financial Statements included in this Annual Report for a further discussion of these trust preferred securities.

Strategy

We seek to increase our presence and grow the Ameris brand in the markets that we currently serve in Georgia, Alabama, Florida and South Carolina and in neighboring communities that present attractive opportunities for expansion. Management has pursued this objective through an acquisition-oriented growth strategy and a prudent operating strategy. Our community banking philosophy emphasizes personalized service and building broad and deep customer relationships, which has provided us with a substantial base of low cost core deposits. Our markets are managed by senior level, experienced decision makers in a decentralized structure that differentiates us from our larger competitors. Management believes that this structure, along with involvement in and knowledge of our local markets, will continue to provide growth and assist in managing risk throughout our Company.

We have maintained our focus on a long-term strategy of expanding and diversifying our franchise in terms of revenues, profitability and asset size. Our growth over the past several years has been enhanced significantly by bank acquisitions, including the acquisition of Prosperity in 2013 and ten acquisitions of failed institutions in FDIC-assisted transactions between 2009 and 2012. We expect to continue to take advantage of the consolidation in the financial services industry and enhance our franchise through future acquisitions, including additional acquisitions of failed or problem financial institutions in FDIC-assisted transactions. We intend to grow within our existing markets, to branch into or acquire financial institutions in existing markets and to branch into or acquire financial institutions in other markets consistent with our capital availability and management abilities.

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BANKING SERVICES

Lending Activities

General. The Company maintains a diversified loan portfolio by providing a broad range of commercial and retail lending services to business entities and individuals. We provide agricultural loans, commercial business loans, commercial and residential real estate construction and mortgage loans, consumer loans, revolving lines of credit and letters of credit. The Company also originates first mortgage residential mortgage loans and generally enters into a commitment to sell these loans in the secondary market. We have not made or participated in foreign, energy-related or subprime type loans. In addition, the Company does not buy loan participations or portions of national credits but from time to time, may acquire balances subject to participation agreements through acquisition. Excluding covered loans, less than 1% of the Company's loan portfolio was subject to loan participation agreements at December 31, 2013 and 2012.

At December 31, 2013, our loan portfolio totaled approximately \$2.52 billion, representing approximately 68.9% of our total assets. For additional discussion of our loan portfolio, see Management's Discussion and Analysis of Financial Condition and Results of Operations – Loans.

Commercial Real Estate Loans. This portion of our loan portfolio has grown significantly over the past few years and represents the largest segment of our loan portfolio. These loans are generally extended for acquisition, development or construction of commercial properties. The loans are underwritten with an emphasis on the viability of the project, the borrower's ability to meet certain minimum debt service requirements and an analysis and review of the collateral and guarantors, if any.

Residential Real Estate Mortgage Loans. Ameris originates adjustable and fixed-rate residential mortgage loans. These mortgage loans are generally originated under terms and conditions consistent with secondary market guidelines. Some of these loans will be placed in the Company's loan portfolio; however, a majority are sold in the secondary market. The residential real estate mortgage loans that are included in the Company's loan portfolio are usually owner-occupied and generally amortized over a 10- to 20-year period with three- to five-year maturity or repricing.

Agricultural Loans. Our agricultural loans are extended to finance crop production, the purchase of farm-related equipment or farmland and the operations of dairies, poultry producers, livestock producers and timber growers. Agricultural loans typically involve seasonal balance fluctuations. Although we typically look to an agricultural borrower's cash flow as the principal source of repayment, agricultural loans are also generally secured by a security interest in the crops or the farm-related equipment and, in some cases, an assignment of crop insurance and mortgage on real estate. The lending officer visits the borrower regularly during the growing season and re-evaluates the loan in light of the borrower's updated cash flow projections. A portion of our agricultural loans is guaranteed by the Farm Service Agency Guaranteed Loan Program.

Commercial and Industrial Loans. Generally, commercial and industrial loans consist of loans made primarily to manufacturers, wholesalers and retailers of goods, service companies, municipalities and other industries. These loans are made for acquisition, expansion and working capital purposes and may be secured by real estate, accounts receivable, inventory, equipment, personal guarantees or other assets. The Company monitors these loans by requesting submission of corporate and personal financial statements and income tax returns. The Company has also generated loans which are guaranteed by the U.S. Small Business Administration (the SBA). SBA loans are generally underwritten in the same manner as conventional loans generated for the Bank's portfolio. Periodically, a portion of the loans that are secured by the guaranty of the SBA will be sold in the secondary market. Management believes that

making such loans helps the local community and also provides Ameris with a source of income and solid future lending relationships as such businesses grow and prosper. The primary repayment risk for commercial loans is the failure of the business due to economic or financial factors.

Consumer Loans. Our consumer loans include motor vehicle, home improvement, home equity, student and signature loans and small personal credit lines. The terms of these loans typically range from 12 to 60 months and vary based upon the nature of collateral and size of the loan. These loans are generally secured by various assets owned by the consumer.

Credit Administration

We have sought to maintain a comprehensive lending policy that meets the credit needs of each of the communities served by the Bank, including low and moderate-income customers, and to employ lending procedures and policies consistent with this approach. All loans are subject to our corporate loan policy, which is reviewed annually and updated as needed. The loan policy provides that lending officers have sole authority to approve loans of various amounts commensurate with their seniority and experience. Our local market Presidents have discretion to approve loans in varying principal amounts up to established limits, and our regional credit officers review and approve loans that exceed such limits.

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Individual lending authority is assigned by the Company's Chief Credit Officer, as is the maximum limit of new extensions of credit that may be approved in each market. These approval limits are reviewed annually by the Company and adjusted as needed. All requests for extensions of credit in excess of any of these limits are reviewed by one of three regional credit officers. When the request for approval exceeds the authority level of the regional credit officer, the approval of the Company's Chief Credit Officer and/or the Company's loan committee are required. All new loans or modifications to existing loans in excess of \$250,000 are reviewed monthly by the Company's credit administration department with the lender responsible for the credit. In addition, our ongoing loan review program subjects the portfolio to sampling and objective review by our monthly internal loan review process which is independent of the originating loan officer, or by our independent external loan review firm.

Each lending officer has authority to make loans only in the market area in which his or her Bank office is located and its contiguous counties. Occasionally, our loan committee will approve making a loan outside of the market areas of the Bank, provided the Bank has a prior relationship with the borrower. Our lending policy requires analysis of the borrower's projected cash flow and ability to service the debt.

We actively market our services to qualified lending customers in both the commercial and consumer sectors. Our commercial lending officers actively solicit the business of new companies entering the market as well as longstanding members of that market's business community. Through personalized professional service and competitive pricing, we have been successful in attracting new commercial lending customers. At the same time, we actively advertise our consumer loan products and continually seek to make our lending officers more accessible.

The Bank continually monitors its loan portfolio to identify areas of concern and to enable management to take corrective action when necessary. Local market Presidents, lending officers and local boards meet periodically to review all past due loans, the status of large loans and certain other credit or economic related matters. Individual lending officers are responsible for collection of past due amounts and monitoring any changes in the financial status of the borrowers.

Investment Activities

Our investment policy is designed to maximize income from funds not needed to meet loan demand in a manner consistent with appropriate liquidity and risk management objectives. Under this policy, our Company may invest in federal, state and municipal obligations, corporate obligations, public housing authority bonds, industrial development revenue bonds, securities issued by Government-Sponsored Enterprises (GSEs) and satisfactorily-rated trust preferred obligations. Investments in our portfolio must satisfy certain quality criteria. Our Company's investments must be investment-grade as determined by either Moody's or Standard and Poor's. Investment securities where the Company has determined a certain level of credit risk are periodically reviewed to determine the financial condition of the issuer and to support the Company's decision to continue holding the security. Our Company may purchase non-rated municipal bonds only if the issuer of such bonds is located in the Company's general market area and such bonds are determined by the Company to have a credit risk no greater than the minimum ratings referred to above. Industrial development authority bonds, which normally are not rated, are purchased only if the issuer is located in the Company's market area and if the bonds are considered to possess a high degree of credit soundness. Traditionally, the Company has purchased and held investment securities with very high levels of credit quality, favoring investments backed by direct or indirect guarantees of the U.S. Government.

While our investment policy permits our Company to trade securities to improve the quality of yields or marketability or to realign the composition of the portfolio, the Bank historically has not done so to any significant extent.

Our investment committee implements the investment policy and portfolio strategies and monitors the portfolio. Reports on all purchases, sales, net profits or losses and market appreciation or depreciation of the bond portfolio are reviewed by our Board of Directors each month. The written investment policy is reviewed annually by the Company's Board of Directors and updated as needed.

The Company's securities are held in safekeeping accounts at approved correspondent banks.

Deposits

The Company provides a full range of deposit accounts and services to both retail and commercial customers. These deposit accounts have a variety of interest rates and terms and consist of interest-bearing and noninterest-bearing accounts, including commercial and retail checking accounts, regular interest-bearing savings accounts, money market accounts, individual retirement accounts and certificates of deposit. Our Bank obtains most of its deposits from individuals and businesses in its market areas.

Brokered time deposits are deposits obtained by utilizing an outside broker that is paid a fee. The Bank utilizes brokered deposits to accomplish several purposes, such as (i) acquiring a certain maturity and dollar amount without repricing the Bank's current customers which could increase or decrease the overall cost of deposits and (ii) acquiring certain maturities and dollar amounts to help manage interest rate risk.

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Other Funding Sources

The Federal Home Loan Bank (FHLB) allows the Company to obtain advances through its credit program. These advances are secured by securities owned by the Company and held in safekeeping by the FHLB, FHLB stock owned by the Company and certain qualifying residential mortgages.

The Company also enters into repurchase agreements. These repurchase agreements are treated as short-term borrowings and are reflected on the Company's balance sheet as such.

Use of Derivatives

The Company seeks to provide a stable net interest income despite changes in interest rates. In its review of interest rate risk, the Company considers the use of derivatives to protect interest income on loans or to create a structure in institutional borrowings that limits the Company's cost. During 2012 and 2013, the Company had an interest rate swap with a notional amount of \$37.1 million for the purpose of converting from variable to fixed interest rate on the junior subordinated debentures on the Company's balance sheet. The interest rate swap, which is classified as a cash flow hedge, is indexed to LIBOR. During 2011, the Company also benefited from an interest rate floor with a notional amount of \$35.0 million. The interest rate floor, which was classified as a cash flow hedge against certain variable rate loans on the Company's balance sheet, expired in August 2011. The hedge was indexed to the prime rate, as are the variable rate loans, and had a strike rate of 7.00%. During 2011, the Company received approximately \$825,000 of interest payments on the interest rate floor, which payments have been classified as interest income on loans.

Additionally, in the second quarter of 2012, the Company began maintaining a risk management program to manage interest rate risk and pricing risk associated with its mortgage lending activities. This program includes the use of forward contracts and other derivatives that are used to offset changes in value of the mortgage inventory due to changes in market interest rates. As a normal part of its operations, the Company enters into derivative contracts such as forward sale commitments and interest rate lock commitments (IRLCs) to economically hedge risks associated with overall price risk related to IRLCs and mortgage loans held for sale carried at fair value. The fair value of these instruments amounted to an asset of approximately \$1,180,000 and \$1,169,000 at December 31, 2012 and 2013, respectively.

CORPORATE RESTRUCTURING AND BUSINESS COMBINATIONS

The Prosperity Banking Company

On December 23, 2013, Ameris acquired Prosperity by merger, at which time Prosperity's wholly-owned banking subsidiary, Prosperity Bank (Prosperity Bank), also was merged with and into the Bank. Prosperity was headquartered in Saint Augustine, Florida and it operated 12 banking locations in St. Johns, Duval, Flagler, Bay, Putnam and Volusia Counties in northeast Florida and the Florida panhandle. The acquisition of Prosperity was significant to the Company, as it expanded our existing Southeastern footprint in several attractive Florida markets. The consideration for the acquisition was a combination of cash and our common stock, par value \$1.00 per share (the Common Stock), with an aggregate purchase price of approximately \$24.6 million. The total consideration consisted of \$162,000 in cash and approximately 1,169,000 shares of Common Stock with a value of approximately \$24.5 million.

Montgomery Bank & Trust

On July 6, 2012, the Bank purchased certain assets and assumed substantially all of the liabilities of Montgomery Bank & Trust (MBT) from the FDIC, as Receiver of MBT. MBT operated two branches in Ailey and Vidalia,

Georgia. The Bank assumed approximately \$156.7 million in customer deposits and acquired approximately \$18.1 million in assets, including approximately \$16.7 million in cash and cash equivalents and approximately \$1.2 million in deposit-secured loans. The assets were acquired without a discount and the deposits were assumed with no premium. To settle the transaction, the FDIC made a cash payment to the Bank totaling approximately \$138.7 million, based on the differential between liabilities assumed and assets acquired.

Central Bank of Georgia

On February 24, 2012, the Bank purchased substantially all of the assets and assumed substantially all of the liabilities of Central Bank of Georgia (CBG) from the FDIC, as Receiver of CBG. CBG operated five branches in Ellaville, Buena Vista, Butler, Cusseta and Macon, Georgia, with approximately \$182.6 million in loans and approximately \$261.0 million in deposits. The Company s agreements with the FDIC included a loss-sharing agreement which affords the Bank significant protection from losses associated with loans and other real estate owned (OREO). Under the terms of the loss-sharing agreement, the FDIC will absorb 80% of losses and share 80% of loss recoveries during the term of the agreement. The term for loss sharing on residential real estate loans is ten years, while the term for loss sharing on all other loans is five years.

The Company s bid to acquire CBG included a discount on the book value of the assets totaling \$33.9 million. The bid resulted in a cash payment from the FDIC totaling \$31.9 million.

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High Trust Bank

On July 15, 2011, the Bank purchased substantially all of the assets and assumed substantially all of the liabilities of High Trust Bank (HTB) from the FDIC, as Receiver of HTB. HTB operated two branches in Stockbridge and Leary, Georgia, with approximately \$133.5 million in loans and approximately \$175.9 million in deposits. The Company's agreements with the FDIC included a loss-sharing agreement which affords the Bank significant protection from losses associated with loans and OREO. Under the terms of the loss-sharing agreement, the FDIC will absorb 80% of losses and share 80% of loss recoveries during the term of the agreement. The term for loss sharing on residential real estate loans is ten years, while the term for loss sharing on all other loans is five years.

The Company's bid to acquire HTB included a discount on the book value of the assets totaling \$33.5 million. The bid resulted in a cash payment from the FDIC totaling \$30.2 million.

One Georgia Bank

On July 15, 2011, the Bank purchased substantially all of the assets and assumed substantially all of the liabilities of One Georgia Bank (OGB) from the FDIC, as Receiver of OGB. OGB operated one branch in Midtown Atlanta, Georgia, with approximately \$120.8 million in loans and approximately \$136.1 million in deposits. The Company's agreements with the FDIC included a loss-sharing agreement which affords the Bank significant protection from losses associated with loans and OREO. Under the terms of the loss-sharing agreement, the FDIC will absorb 80% of losses and share 80% of loss recoveries during the term of the agreement. The term for loss sharing on residential real estate loans is ten years, while the term for loss sharing on all other loans is five years.

The Company's bid to acquire OGB included a discount on the book value of the assets totaling \$22.5 million. The bid resulted in a cash payment to the FDIC totaling \$5.7 million.

Tifton Banking Company

On November 12, 2010, the Bank purchased substantially all of the assets and assumed substantially all of the liabilities of Tifton Banking Company (TBC) from the FDIC, as Receiver of TBC. TBC operated one branch in Tifton, Georgia, with approximately \$118.4 million in loans and approximately \$132.9 million in deposits. The Company's agreements with the FDIC included a loss-sharing agreement which affords the Bank significant protection from losses associated with loans and OREO. Under the terms of the loss-sharing agreement, the FDIC will absorb 80% of losses and share 80% of loss recoveries during the term of the agreement. The term for loss sharing on residential real estate loans is ten years, while the term for loss sharing on all other loans is five years.

The Company's acquisition of TBC resulted in the Bank recording \$956,000 of goodwill related to the purchase. The bid resulted in a cash payment to the FDIC totaling \$10.3 million to settle the transaction.

Darby Bank & Trust Co.

On November 12, 2010, the Bank purchased substantially all of the assets and assumed substantially all of the liabilities of Darby Bank & Trust Co. (DBT) from the FDIC, as Receiver of DBT. DBT operated seven branches in Vidalia, Lyons, Savannah and Pooler, Georgia, with approximately \$393.3 million in loans and approximately \$387.0 million in deposits. The Company's agreements with the FDIC included a loss-sharing agreement which affords the Bank significant protection from losses associated with loans and OREO. Under the terms of the loss-sharing agreement, the FDIC will absorb 80% of losses and share 80% of loss recoveries during the term of the agreement up to \$131.8 million of cumulative loss. The FDIC will absorb 30% of losses and share 30% of loss recoveries during the

term of the agreement for cumulative losses between \$131.8 million and \$193.1 million. The FDIC will absorb 80% of losses and share 80% of loss recoveries during the term of the agreement on cumulative losses over \$193.1 million. The term for loss sharing on residential real estate loans is ten years, while the term for loss sharing on all other loans is five years.

The Company's bid to acquire DBT included a discount on the book value of the assets totaling \$45.0 million. The bid resulted in a cash payment to the FDIC totaling \$149.9 million.

First Bank of Jacksonville

On October 22, 2010, the Bank purchased substantially all of the assets and assumed substantially all of the liabilities of First Bank of Jacksonville (FBJ) from the FDIC, as Receiver of FBJ. FBJ operated two branches in Jacksonville, Florida, with approximately \$51.1 million in loans and approximately \$71.9 million in deposits. The Company's agreements with the FDIC included a loss-sharing agreement which affords the Bank significant protection from losses associated with loans and OREO. Under the terms of the loss-sharing agreement, the FDIC will absorb 80% of losses and share 80% of loss recoveries during the term of the agreement. The term for loss sharing on residential real estate loans is ten years, while the term for loss sharing on all other loans is five years.

The Company's bid to acquire FBJ included a discount on the book value of the assets totaling \$4.8 million. The bid resulted in a cash payment from the FDIC totaling \$8.1 million.

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Satilla Community Bank

On May 14, 2010, the Bank purchased substantially all of the assets and assumed substantially all of the liabilities of Satilla Community Bank (SCB) from the FDIC, as Receiver of SCB. SCB operated one branch in St. Marys, Georgia, the southernmost city on the Georgia coast and a northern suburb of Jacksonville, Florida, with approximately \$68.8 million in loans and approximately \$75.5 million in deposits. The Company's agreements with the FDIC included a loss-sharing agreement which affords the Bank significant protection from losses associated with loans and OREO. Under the terms of the loss-sharing agreement, the FDIC will absorb 80% of losses and share 80% of loss recoveries during the term of the agreement. The term for loss sharing on residential real estate loans is ten years, while the term for loss sharing on all other loans is five years.

The Company's bid to acquire SCB included a discount on the book value of the assets totaling \$14.4 million. Also included in the bid was a premium of approximately \$92,000 on SCB's deposits. Because SCB's brokered deposits did not pass to the Bank, the acquisition resulted in significantly more assets being purchased than liabilities assumed. As a result, the Bank made a cash payment to the FDIC totaling \$35.7 million to settle the transaction.

United Security Bank

On November 6, 2009, the Bank purchased substantially all of the assets and assumed substantially all of the liabilities of United Security Bank (USB) from the FDIC, as Receiver of USB. USB operated one branch in Woodstock, Georgia and one branch in Sparta, Georgia, with total loans of approximately \$108.4 million and approximately \$141.1 million of total deposits. The Company's agreements with the FDIC included a loss-sharing agreement which affords the Bank significant protection from losses associated with loans and OREO. Under the terms of the loss-sharing agreement the FDIC will absorb 80% of losses and share 80% of loss recoveries on the first \$46 million of losses and absorb 95% of losses and share in 95% of loss recoveries on losses exceeding \$46 million. The term for loss sharing on residential real estate loans is ten years, while the term for loss sharing on all other loans is five years.

The Company's bid to acquire USB included a discount on the book value of the assets totaling \$32.6 million. Also included in the bid was a premium of approximately \$228,000 on USB's deposits. The bid resulted in a cash payment from the FDIC totaling \$24.2 million.

American United Bank

On October 23, 2009, the Bank purchased substantially all of the assets and assumed substantially all of the liabilities of American United Bank (AUB) from the FDIC, as Receiver of AUB. AUB operated only one branch in Lawrenceville, Georgia, a northeast suburb of Atlanta, Georgia, with approximately \$85.7 million in loans and approximately \$100.5 million in deposits. The Company's agreements with the FDIC included a loss-sharing agreement which affords the Bank significant protection from losses associated with loans and OREO. Under the terms of the loss-sharing agreement, the FDIC will absorb 80% of losses and share 80% of loss recoveries on the first \$38 million of losses and absorb 95% of losses and share in 95% of loss recoveries on losses exceeding \$38 million. The term for loss sharing on residential real estate loans is ten years, while the term for loss sharing on all other loans is five years.

The Company's bid to acquire AUB included a discount on the book value of the assets totaling \$19.6 million. Also included in the bid was a premium of approximately \$262,000 on AUB's deposits. The bid resulted in a cash payment from the FDIC totaling \$17.1 million.

Capital Purchase Program

On November 21, 2008, the Company, pursuant to the Capital Purchase Program (the "CPP") established under the Economic Stabilization Act of 2008 ("EESA"), in connection with the Troubled Asset Relief Program ("TARP"), issued and sold to the United States Department of the Treasury (the "Treasury"), for an aggregate cash purchase price of \$52 million, (i) 52,000 shares (the "Preferred Shares") of the Company's Fixed Rate Cumulative Perpetual Preferred Stock, Series A, having a liquidation preference of \$1,000 per share, and (ii) a ten-year warrant (the "Warrant") to purchase up to 679,443 shares of Common Stock, at an exercise price of \$11.48 per share. Proceeds from the issuance of the Preferred Shares and the Warrant were allocated based on the relative market values of each. As a result of the Company's participation in the CPP, the Company was subject to the rules and regulations promulgated under the EESA. These rules and regulations included certain limitations on compensation for senior executives, dividend payments and payments to senior executives upon termination of employment, as well as certain obligations of the Company to increase its efforts to reduce the number of foreclosures of primary residences.

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On June 14, 2012, the Preferred Shares were sold by the Treasury through a registered public offering as part of the Treasury's efforts to wind down its remaining TARP bank investments. While the sale of the Preferred Shares to new investors did not result in any accounting entries and does not change the Company's capital position, it eliminated the executive compensation and corporate governance restrictions that were applicable to the Company during the period in which the Treasury held its investment in the Preferred Shares. Subsequently, on August 22, 2012, the Company repurchased the Warrant from the Treasury for \$2.67 million and in December 2012, the Company repurchased 24,000 of the outstanding Preferred Shares. The Company intends to redeem the remaining 28,000 outstanding Preferred Shares on March 24, 2014.

MARKET AREAS AND COMPETITION

The banking industry in general, and in the southeastern United States specifically, is highly competitive and dramatic changes continue to occur throughout the industry. Our select market areas in Georgia, Alabama, Florida and South Carolina have experienced strong population growth over the past 20 to 30 years, but have endured significant economic challenges in recent years. Intense market demands, national and local economic pressures, fluctuating interest rates and increased customer awareness of product and service differences among financial institutions have forced banks to diversify their services and become much more cost effective. Over the past few years, our Bank has faced strong competition in attracting deposits at profitable levels. Competition for deposits comes from other commercial banks, thrift institutions, mortgage bankers, finance companies, credit unions and issuers of securities such as brokerage firms. Interest rates, convenience of office locations and marketing are all significant factors in our Bank's competition for deposits.

Competition for loans comes from other commercial banks, thrift institutions, savings banks, insurance companies, consumer finance companies, credit unions and other institutional lenders. In order to remain competitive, our Bank has varied interest rates and loan fees to some degree as well as increased the number and complexity of services provided. We have not varied or altered our underwriting standards in any material respect in response to competitor willingness to do so and in some markets have not been able to experience the growth in loans that we would have preferred. Competition is affected by the general availability of lendable funds, general and local economic conditions, current interest rate levels and other factors that are not readily predictable.

Competition among providers of financial products and services continues to increase with consumers having the opportunity to select from a growing variety of traditional and nontraditional alternatives. The industry continues to consolidate, which affects competition by eliminating some regional and local institutions, while strengthening the franchise of acquirers. Management expects that competition will become more intense in the future due to changes in state and federal laws and regulations and the entry of additional bank and nonbank competitors. See "Supervision and Regulation" under this Item.

EMPLOYEES

At December 31, 2013, the Company employed approximately 984 full-time-equivalent employees. We consider our relationship with our employees to be good.

We have adopted the Ameris Bancorp 401(k) Profit Sharing Plan, as a retirement plan for our employees. This plan provides deferral of compensation by our employees and contributions by Ameris. As a result of the Company's financial performance, it did not make any contributions for eligible employees during 2011; however, the Company reinstated contributions into the plan during 2012. We also maintain a comprehensive employee benefits program providing, among other benefits, hospitalization and major medical insurance and life insurance. Management considers these benefits to be competitive with those offered by other financial institutions in our market areas. Our

employees are not represented by any collective bargaining group.

RELATED PARTY TRANSACTIONS

The Company makes loans to our directors and their affiliates and to banking officers. These loans are made on substantially the same terms as those prevailing at the time for comparable transactions and do not involve more than normal credit risk. At December 31, 2013, we had approximately \$2.52 billion in total loans outstanding, of which approximately \$3.3 million were outstanding to certain directors and their affiliates. Company policy prohibits loans to executive officers.

SUPERVISION AND REGULATION

General

We are extensively regulated under federal and state law. Generally, these laws and regulations are intended to protect depositors and not shareholders. The following is a summary of certain provisions of certain laws that affect the regulation of bank holding companies and banks. The discussion is qualified in its entirety by reference to applicable laws and regulations. Changes in such laws and regulations may have a material effect on our business and prospects.

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Federal Bank Holding Company Regulation and Structure

As a bank holding company, we are subject to regulation under the Bank Holding Company Act and to the supervision, examination and reporting requirements of the Board of Governors of the Federal Reserve System (the Federal Reserve). Our Bank has a Georgia state charter and is subject to regulation, supervision and examination by the FDIC and the Georgia Department of Banking and Finance (the GDBF).

The Bank Holding Company Act requires every bank holding company to obtain the prior approval of the Federal Reserve before:

it may acquire direct or indirect ownership or control of any voting shares of any bank if, after the acquisition, the bank holding company will directly or indirectly own or control more than 5% of the voting shares of the bank;

it or any of its subsidiaries, other than a bank, may acquire all or substantially all of the assets of any bank;
or

it may merge or consolidate with any other bank holding company.

The Bank Holding Company Act further provides that the Federal Reserve may not approve any transaction that would result in a monopoly or that would substantially lessen competition in the banking business, unless the public interest in meeting the needs of the communities to be served outweighs the anti-competitive effects. The Federal Reserve is also required to consider the financial and managerial resources and future prospects of the bank holding companies and banks involved and the convenience and needs of the communities to be served. Consideration of financial resources generally focuses on capital adequacy, and consideration of convenience and needs issues focuses, in part, on the performance under the Community Reinvestment Act, both of which are discussed elsewhere in more detail.

Subject to various exceptions, the Bank Holding Company Act and the Change in Bank Control Act, together with related regulations, require Federal Reserve approval prior to any person or company acquiring control of a bank holding company. Control is conclusively presumed to exist if an individual or company acquires 25% or more of any class of voting securities of a bank holding company. Control is also presumed to exist, although rebuttable, if a person or company acquires 10% or more, but less than 25%, of any class of voting securities and either:

the bank holding company has registered securities under Section 12 of the Exchange Act; or

no other person owns a greater percentage of that class of voting securities immediately after the transaction.

Our Common Stock is registered under Section 12 of the Exchange Act. The regulations provide a procedure for challenging rebuttable presumptions of control.

The Bank Holding Company Act generally prohibits a bank holding company from engaging in activities other than banking; managing or controlling banks or other permissible subsidiaries and acquiring or retaining direct or indirect control of any company engaged in any activities other than activities closely related to banking or managing or controlling banks. In determining whether a particular activity is permissible, the Federal Reserve considers whether performing the activity can be expected to produce benefits to the public that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest or unsound banking practices. The Federal Reserve has the power to order a bank holding company or its subsidiaries to terminate any activity or control of any subsidiary when the continuation of the activity or control constitutes a serious risk to the financial safety, soundness or stability of any bank subsidiary of that bank holding company.

Under the Bank Holding Company Act, a bank holding company may file an election with the Federal Reserve to be treated as a financial holding company and engage in an expanded list of financial activities. The election must be accompanied by a certification that all of the company's insured depository institution subsidiaries are well capitalized and well managed. Additionally, the Community Reinvestment Act rating of each subsidiary bank must be satisfactory or better. Effective August 24, 2000, pursuant to a previously-filed election with the Federal Reserve, Ameris became a financial holding company. As such, we may engage in activities that are financial in nature or incidental or complementary to financial activities, including insurance underwriting, securities underwriting and dealing, and making merchant banking investments in commercial and financial companies. If the Bank ceases to be well capitalized or well managed under applicable regulatory standards, the Federal Reserve may, among other things, place limitations on our ability to conduct these broader financial activities. In addition, if the Bank receives a rating of less than satisfactory under the Community Reinvestment Act, we would be prohibited from engaging in any additional activities other than those permissible for bank holding companies that are not financial holding companies. If, after becoming a financial holding company and undertaking activities not permissible for a bank holding company, the company fails to continue to meet any of the prerequisites for financial holding company status, including those described above, the company must enter into an agreement with the Federal Reserve to comply with all applicable capital and management requirements. If the company does not return to compliance within 180 days, the Federal Reserve may order the company to divest its subsidiary banks or the company may discontinue or divest investments in companies engaged in activities permissible only for a bank holding company that has elected to be treated as a financial holding company.

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Under Federal Reserve policy, we are expected to act as a source of financial strength for the Bank and to commit resources to support the Bank. This support may be required at times when, without this Federal Reserve policy, we might not be inclined to provide it. In addition, any capital loans made by us to the Bank will be repaid only after its deposits and various other obligations are repaid in full.

Our Bank is also subject to numerous state and federal statutes and regulations that affect its business, activities and operations and is supervised and examined by state and federal bank regulatory agencies. The FDIC and the GDBF regularly examine the operations of our Bank and are given the authority to approve or disapprove mergers, consolidations, the establishment of branches and similar corporate actions. These agencies also have the power to prevent the continuance or development of unsafe or unsound banking practices or other violations of law.

Payment of Dividends and Other Restrictions

Ameris is a legal entity separate and distinct from its subsidiaries. While there are various legal and regulatory limitations under federal and state law on the extent to which our Bank can pay dividends or otherwise supply funds to Ameris, the principal source of our cash revenues is dividends from our Bank. The prior approval of applicable regulatory authorities is required if the total amount of all dividends declared by the Bank in any calendar year exceeds 50% of the Bank's net profits for the previous year. The relevant federal and state regulatory agencies also have authority to prohibit a state member bank or bank holding company, which would include Ameris and the Bank, from engaging in what, in the opinion of such regulatory body, constitutes an unsafe or unsound practice in conducting its business. The payment of dividends could, depending upon the financial condition of the subsidiary, be deemed to constitute an unsafe or unsound practice in conducting its business.

Under Georgia law, the prior approval of the GDBF is required before any cash dividends may be paid by a state bank if: (i) total classified assets at the most recent examination of such bank exceed 80% of the equity capital (as defined, which includes the reserve for loan losses) of such bank; (ii) the aggregate amount of dividends declared or anticipated to be declared in the calendar year exceeds 50% of the net profits (as defined) for the previous calendar year; or (iii) the ratio of equity capital to adjusted total assets is less than 6%. As of December 31, 2013, there was approximately \$10.9 million of retained earnings of our Bank available for payment of cash dividends under applicable regulations without obtaining regulatory approval.

In addition, our Bank is subject to limitations under Section 23A of the Federal Reserve Act with respect to extensions of credit to, investments in and certain other transactions with Ameris. Furthermore, loans and extensions of credit are also subject to various collateral requirements.

The Federal Reserve has issued a policy statement on the payment of cash dividends by bank holding companies, which expresses the Federal Reserve's view that a bank holding company should pay cash dividends only to the extent that the holding company's net income for the past year is sufficient to cover both the cash dividends and a rate of earning retention that is consistent with the holding company's capital needs, asset quality and overall financial condition. The Federal Reserve also indicated that it would be inappropriate for a holding company experiencing serious financial problems to borrow funds to pay dividends. Furthermore, under the prompt corrective action regulations adopted by the Federal Reserve, the Federal Reserve may prohibit a bank holding company from paying any dividends if one or more of the holding company's bank subsidiaries are classified as undercapitalized.

A bank holding company is required to give the Federal Reserve prior written notice of any purchase or redemption of its outstanding equity securities if the gross consideration for the purchase or redemption, when combined with the net consideration paid for all such purchases or redemptions during the preceding 12 months, is equal to 10% or more of its consolidated net worth. The Federal Reserve may disapprove such a purchase or redemption if it determines that

the proposal would constitute an unsafe or unsound practice or would violate any law, regulation, Federal Reserve order or any condition imposed by, or written agreement with, the Federal Reserve.

Furthermore, under rules and regulations of the EESA to which the Company is subject, no dividends may be declared or paid on the Common Stock unless the dividends due with respect to Preferred Shares have been paid in full.

Capital Adequacy

We must comply with the Federal Reserve's established capital adequacy standards, and our Bank is required to comply with the capital adequacy standards established by the FDIC. The Federal Reserve has promulgated two basic measures of capital adequacy for bank holding companies: a risk-based measure and a leverage measure. A bank holding company must satisfy all applicable capital standards to be considered in compliance.

The risk-based capital standards are designed to make regulatory capital requirements more sensitive to differences in risk profile among banks and bank holding companies, account for off-balance-sheet exposure and minimize disincentives for holding liquid assets.

Assets and off-balance-sheet items are assigned to broad risk categories, each with appropriate weights. The resulting capital ratios represent capital as a percentage of total risk-weighted assets and off-balance-sheet items.

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The minimum guideline for the ratio of total capital to risk-weighted assets is 8%. At least one-half of total capital must be comprised of Tier 1 Capital, which is common stock, undivided profits, minority interests in the equity accounts of consolidated subsidiaries and noncumulative perpetual preferred stock, less goodwill and certain other intangible assets. The remainder may consist of Tier 2 Capital, which is subordinated debt, other preferred stock and a limited amount of loan loss reserves. Since 2001, our consolidated capital ratios have increased due to the issuance of trust preferred securities. At December 31, 2013, all of our trust preferred securities were included in Tier 1 Capital. At December 31, 2013, our total risk-based capital ratio and our Tier 1 risk-based capital ratio were 15.32% and 14.35%, respectively. Neither Ameris nor the Bank has been advised by any federal banking agency of any additional specific minimum capital ratio requirement applicable to it.

In addition, the Federal Reserve has established minimum leverage ratio guidelines for bank holding companies. These guidelines provide for a minimum ratio of Tier 1 Capital to average assets, less goodwill and certain other intangible assets, of 3% for bank holding companies that meet specified criteria. All other bank holding companies generally are required to maintain a minimum leverage ratio of 4%. At December 31, 2013, our ratio was 11.33%, compared to 10.34% at December 31, 2012. The guidelines also provide that bank holding companies experiencing internal growth or making acquisitions will be expected to maintain strong capital positions substantially above the minimum supervisory levels without significant reliance on intangible assets. Furthermore, the Federal Reserve has indicated that it will consider a tangible Tier 1 Capital leverage ratio and other indications of capital strength in evaluating proposals for expansion or new activities. The Federal Reserve has not advised Ameris of any additional specific minimum leverage ratio or tangible Tier 1 Capital leverage ratio applicable to it.

Failure to meet capital guidelines could subject a bank to a variety of enforcement remedies, including issuance of a capital directive, the termination of deposit insurance by the FDIC, a prohibition on taking brokered deposits and certain other restrictions on its business. As described below, the FDIC can impose substantial additional restrictions upon FDIC-insured depository institutions that fail to meet applicable capital requirements.

The Federal Deposit Insurance Act (or FDI Act) requires the federal regulatory agencies to take prompt corrective action if a depository institution does not meet minimum capital requirements. The FDI Act establishes five capital tiers: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized. A depository institution's capital tier will depend upon how its capital levels compare to various relevant capital measures and certain other factors, as established by regulation.

The federal bank regulatory agencies have adopted regulations establishing relevant capital measures and relevant capital levels applicable to FDIC-insured banks. The relevant capital measures are the Total Capital ratio, Tier 1 Capital ratio and the leverage ratio. Under the regulations, a FDIC-insured bank will be:

well capitalized if it has a Total Capital ratio of 10% or greater, a Tier 1 Capital ratio of 6% or greater and a leverage ratio of 5% or greater and is not subject to any order or written directive by the appropriate regulatory authority to meet and maintain a specific capital level for any capital measure;

adequately capitalized if it has a Total Capital ratio of 8% or greater, a Tier 1 Capital ratio of 4% or greater and a leverage ratio of 4% or greater (3% in certain circumstances) and is not well capitalized;

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undercapitalized if it has a Total Capital ratio of less than 8%, a Tier 1 Capital ratio of less than 4% or a leverage ratio of less than 4% (3% in certain circumstances);

significantly undercapitalized if it has a Total Capital ratio of less than 6%, a Tier 1 Capital ratio of less than 3% or a leverage ratio of less than 3%; and

critically undercapitalized if its tangible equity is equal to or less than 2% of average quarterly tangible assets.

An institution may be downgraded to, or deemed to be in, a capital category that is lower than is indicated by its capital ratios if it is determined to be in an unsafe or unsound condition or if it receives an unsatisfactory examination rating with respect to certain matters. As of December 31, 2013, our Bank had capital levels that qualify as well capitalized under such regulations.

The FDI Act generally prohibits an FDIC-insured bank from making a capital distribution (including payment of a dividend) or paying any management fee to its holding company if the bank would thereafter be undercapitalized. Undercapitalized banks are subject to growth limitations and are required to submit a capital restoration plan. The federal regulators may not accept a capital plan without determining, among other things, that the plan is based on realistic assumptions and is likely to succeed in restoring the bank's capital. In addition, for a capital restoration plan to be acceptable, the bank's parent holding company must guarantee that the institution will comply with such capital restoration plan. The aggregate liability of the parent holding company is limited to the lesser of: (i) an amount equal to 5% of the bank's total assets at the time it became undercapitalized; and (ii) the amount which is necessary (or would have been necessary) to bring the institution into compliance with all capital standards applicable with respect to such institution as of the time it fails to comply with the plan. If a bank fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized.

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Significantly undercapitalized insured banks may be subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized, requirements to reduce total assets and the cessation of receipt of deposits from correspondent banks. Critically undercapitalized institutions are subject to the appointment of a receiver or conservator. A bank that is not well capitalized is also subject to certain limitations relating to brokered deposits.

The regulatory capital framework under which we operate has changed, and is expected to continue to change, in significant respects as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), which was enacted in July 2010 and includes certain provisions concerning the capital regulations of U.S. banking regulators. These provisions are intended to subject bank holding companies to the same capital requirements as their bank subsidiaries and to eliminate or significantly reduce the use of hybrid capital instruments, especially trust preferred securities, as regulatory capital. Although a significant number of the rules and regulations mandated by the Dodd-Frank Act have been finalized, many of the new requirements called for have yet to be implemented and will likely be subject to implementing regulations over the course of several years. Given the uncertainty associated with the manner in which the provisions of the Dodd-Frank Act will be implemented by the various regulatory agencies, the full extent of the impact such requirements will have on financial institutions' operations is unclear. The changes resulting from the Dodd-Frank Act may impact the profitability of our business activities, require changes to certain of our business practices, impose upon us more stringent capital, liquidity and leverage ratio requirements or otherwise adversely affect our business. These changes may also require us to invest significant management attention and resources to evaluate and make necessary changes in order to comply with new statutory and regulatory requirements.

In July 2013, the federal banking agencies approved an interim final rule that adopts a series of previously proposed rules to conform U.S. regulatory capital rules with the international regulatory standards agreed to by the Basel Committee on Banking Supervision in the accord referred to as Basel III and to implement requirements of the Dodd-Frank Act. The adopted regulations establish new higher capital ratio requirements, narrow the definitions of capital, impose new operating restrictions on banking organizations with insufficient capital buffers and increase the risk weighting of certain assets. The Company and the Bank will be required to comply with the new capital requirements beginning January 1, 2015.

The regulatory changes found in the new final rule include the following:

The final rule establishes a new capital measure called Common Equity Tier I Capital consisting of common stock and related surplus, retained earnings, accumulated other comprehensive income and, subject to certain adjustments, minority common equity interests in subsidiaries. Unlike the current rules which exclude unrealized gains and losses on available for sale debt securities from regulatory capital, the final rule generally requires accumulated other comprehensive income to flow through to regulatory capital. Depository institutions and their holding companies will be required to maintain Common Equity Tier I Capital equal to 4.5% of risk-weighted assets by 2015. Additionally, the regulations will increase the required ratio of Tier I Capital to risk-weighted assets from the current 4% to 6% by 2015. Tier I Capital consists of Common Equity Tier I Capital plus Additional Tier I Capital which includes non-cumulative perpetual preferred stock. Neither cumulative preferred stock (other than certain preferred stock issued to the U.S. Treasury) nor trust preferred securities will qualify as Additional Tier I Capital but may be included in Tier II Capital along with qualifying subordinated debt. The new regulations also require a minimum Tier I leverage ratio of 4% for all institutions, while the minimum required ratio of total

capital to risk-weighted assets will remain at 8%.

In addition to increased capital requirements, depository institutions and their holding companies will be required to maintain a capital buffer of at least 2.5% of risk-weighted assets over and above the minimum risk-based capital requirements in order to avoid limitations on the payment of dividends, the repurchase of shares or the payment of discretionary bonuses. The capital conservation buffer requirement will be phased in, beginning January 1, 2016, requiring during 2016 a buffer amount greater than 0.625% in order to avoid these limitations, and increasing the amount each year until beginning January 1, 2019, the buffer amount must be greater than 2.5% in order to avoid the limitations.

The prompt corrective action regulations, under the final rule, incorporate a Common Equity Tier I Capital requirement and raise the capital requirements for certain capital categories. In order to be adequately capitalized for purposes of the prompt corrective action regulations, a banking organization will be required to have at least an 8% Total Risk-Based Capital Ratio, a 6% Tier I Risk-Based Capital Ratio, a 4.5% Common Equity Tier I Risk Based Capital Ratio and a 4% Tier I Leverage Ratio. To be well capitalized, a banking organization will be required to have at least a 10% Total Risk-Based Capital Ratio, an 8% Tier I Risk-Based Capital Ratio, a 6.5% Common Equity Tier I Risk-Based Capital Ratio and a 5% Tier I Leverage Ratio.

We have conducted a pro forma analysis of these new requirements as of December 31, 2013 and have determined that if these requirements were in effect on that date, the Company and the Bank would be considered well-capitalized and each would have a capital conservation buffer greater than 2.5%.

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Acquisitions

As an active acquirer, we must comply with numerous laws related to our acquisition activity. Under the Bank Holding Company Act, a bank holding company may not directly or indirectly acquire ownership or control of more than 5% of the voting shares or substantially all of the assets of any bank or merge or consolidate with another bank holding company without the prior approval of the Federal Reserve. Current federal law authorizes interstate acquisitions of banks and bank holding companies without geographic limitation. Furthermore, a bank headquartered in one state is authorized to merge with a bank headquartered in another state, as long as neither of the states has opted out of such interstate merger authority prior to such date, and subject to any state requirement that the target bank shall have been in existence and operating for a minimum period of time, not to exceed five years, and to certain deposit market-share limitations. After a bank has established branches in a state through an interstate merger transaction, the bank may establish and acquire additional branches at any location in the state where a bank headquartered in that state could have established or acquired branches under applicable federal or state law.

FDIC Insurance Assessments

The FDIC insures the deposit accounts of the Bank up to the maximum amount provided by law. The general insurance limit is \$250,000. Effective November 21, 2008 and until December 31, 2010, the FDIC expanded deposit insurance limits for certain accounts under the Temporary Liquidity Guarantee Program (TLGP). Provided an institution did not opt out of the TLGP, the FDIC would fully guarantee funds deposited in noninterest bearing transaction accounts, including interest on lawyer trust accounts (or IOLTA accounts) and negotiable order of withdrawal accounts (or NOW accounts), with rates no higher than 0.50% through June 30, 2010, and no higher than 0.25% after June 30, 2010, if the institution committed to maintain the interest rate at or below that rate. In conjunction with the increased deposit insurance coverage, the amount of FDIC assessments paid by each Deposit Insurance Fund (DIF) member institution also increased. This increase to coverage was originally in effect through December 31, 2009, but was extended several times until it expired on December 31, 2012.

The FDIC assesses deposit insurance premiums on each insured institution quarterly based on annualized rates for one of four risk categories. Under the rules in effect through March 31, 2011, these rates are applied to the institution's deposits. Each institution is assigned to one of four risk categories based on its capital, supervisory ratings and other factors. Well capitalized institutions that are financially sound with only a few minor weaknesses are assigned to Risk Category I. Risk Categories II, III and IV present progressively greater risks to the DIF. A range of initial base assessment rates applies to each risk category, subject to adjustments based on an institution's unsecured debt, secured liabilities and brokered deposits, such that the total base assessment rates after adjustments range from 7 to 24 basis points for Risk Category I, 17 to 43 basis points for Risk Category II, 27 to 58 basis points for Risk Category III, and 40 to 77.5 basis points for Risk Category IV.

As required by the Dodd-Frank Act, the FDIC adopted rules effective April 1, 2011 under which insurance premium assessments are based on an institution's total assets minus its tangible equity (defined as Tier 1 capital) instead of its deposits. Under these rules, an institution with total assets of less than \$10 billion will be assigned to a risk category as described above, and a range of initial base assessment rates will apply to each category, subject to adjustment downward based on unsecured debt issued by the institution and, except for an institution in Risk Category I, adjustment upward if the institution's brokered deposits exceed 10% of its domestic deposits, to produce total base assessment rates. Total base assessment rates range from 2.5 to 9 basis points for Risk Category I, 9 to 24 basis points for Risk Category II, 18 to 33 basis points for Risk Category III, and 30 to 45 basis points for Risk Category IV, all subject to further adjustment upward if the institution holds more than a de minimis amount of unsecured debt issued by another FDIC-insured institution. The FDIC may increase or decrease its rates by 2.0 basis points without further rulemaking. In an emergency, the FDIC may also impose a special assessment.

The Company's insurance assessments during 2013, 2012 and 2011 were approximately \$2.3 million, \$1.5 million and \$4.5 million, respectively. Because of the growing number of bank failures and costs to the DIF, the FDIC required that we prepay the assessments that would normally have been paid during 2010 to 2012. This prepaid assessment amounted to approximately \$12.3 million during 2009. During 2013, the FDIC refunded the remaining portion of the assessment to the Company; therefore, there was no remaining prepaid balance on the Company's consolidated balance sheet as of December 31, 2013.

Pursuant to the Dodd-Frank Act, the FDIC has established 2.0% as the designated reserve ratio (DRR), which is the ratio of the DIF to insured deposits. The FDIC has adopted a plan under which it will meet the statutory minimum DRR of 1.35% by September 30, 2020, the deadline imposed by the Dodd-Frank Act. The Dodd-Frank Act requires the FDIC to offset the effect of the increase in the statutory minimum DRR to 1.35% on institutions with assets of less than \$10 billion from the former statutory minimum of 1.15%. The FDIC has not yet announced how it will implement this offset or how larger institutions will be affected by it.

The FDIC also collects a deposit-based assessment from insured financial institutions on behalf of the Financing Corporation (the FICO). The funds from these assessments are used to service debt issued by FICO in its capacity as a financial vehicle for the Federal Savings & Loan Insurance Corporation. The FICO assessment rate is set quarterly and in 2013 was \$0.62 - \$0.64 per \$100 of assessable deposits. These assessments will continue until the debt matures in 2017 through 2019.

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Community Reinvestment Act

The Community Reinvestment Act requires federal bank regulatory agencies to encourage financial institutions to meet the credit needs of low and moderate-income borrowers in their local communities. An institution's size and business strategy determines the type of examination that it will receive. Large, retail-oriented institutions are examined using a performance-based lending, investment and service test. Small institutions are examined using a streamlined approach. All institutions may opt to be evaluated under a strategic plan formulated with community input and pre-approved by the bank regulatory agency.

The Community Reinvestment Act regulations provide for certain disclosure obligations. Each institution must post a notice advising the public of its right to comment to the institution and its regulator on the institution's Community Reinvestment Act performance and to review the institution's Community Reinvestment Act public file. Each lending institution must maintain for public inspection a file that includes a listing of branch locations and services, a summary of lending activity, a map of its communities and any written comments from the public on its performance in meeting community credit needs. The Community Reinvestment Act requires public disclosure of a financial institution's written Community Reinvestment Act evaluations. This promotes enforcement of Community Reinvestment Act requirements by providing the public with the status of a particular institution's community reinvestment record.

The Gramm-Leach-Bliley Act made various changes to the Community Reinvestment Act. Among other changes, Community Reinvestment Act agreements with private parties must be disclosed and annual Community Reinvestment Act reports must be made available to a bank's primary federal regulator. A bank holding company will not be permitted to become a financial holding company and no new activities authorized under the Gramm-Leach-Bliley Act may be commenced by a holding company or by a bank financial subsidiary if any of its bank subsidiaries received less than a satisfactory Community Reinvestment Act rating in its latest Community Reinvestment Act examination.

Consumer Protection Laws

The Bank is subject to a number of federal and state laws designed to protect borrowers and promote lending to various sectors of the economy and population. These laws include the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Truth in Lending Act, the Home Mortgage Disclosure Act, the Real Estate Settlement Procedures Act, the Fair Debt Collection Practices Act and state law counterparts.

Federal law currently contains extensive customer privacy protection provisions. Under these provisions, a financial institution must provide to its customers, at the inception of the customer relationship and annually thereafter, the institution's policies and procedures regarding the handling of customers' nonpublic personal financial information. These provisions also provide that, except for certain limited exceptions, an institution may not provide such personal information to unaffiliated third parties unless the institution discloses to the customer that such information may be so provided and the customer is given the opportunity to opt out of such disclosure. Federal law makes it a criminal offense, except in limited circumstances, to obtain or attempt to obtain customer information of a financial nature by fraudulent or deceptive means.

Fiscal and Monetary Policy

Banking is a business which depends on interest rate differentials for success. In general, the difference between the interest paid by a bank on its deposits and its other borrowings, and the interest received by a bank on its loans and securities holdings, constitutes the major portion of a bank's earnings. Thus, our earnings and growth will be subject to

the influence of economic conditions generally, both domestic and foreign, and also to the monetary and fiscal policies of the United States and its agencies, particularly the Federal Reserve. The Federal Reserve regulates the supply of money through various means, including open market dealings in United States government securities, the discount rate at which banks may borrow from the Federal Reserve and the reserve requirements on deposits. The nature and timing of any changes in such policies and their effect on Ameris cannot be known at this time.

Current and future legislation and the policies established by federal and state regulatory authorities will affect our future operations. Banking legislation and regulations may limit our growth and the return to our investors by restricting certain of our activities.

In addition, capital requirements could be changed and have the effect of restricting our activities or requiring additional capital to be maintained. We cannot predict with certainty what changes, if any, will be made to existing federal and state legislation and regulations or the effect that such changes may have on our business.

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Federal Home Loan Bank System

Our Company has a correspondent relationship with the FHLB of Atlanta, which is one of 12 regional FHLBs that administer the home financing credit function of savings companies. Each FHLB serves as a reserve or central bank for its members within its assigned region. FHLBs are funded primarily from proceeds derived from the sale of consolidated obligations of the FHLB system and make loans to members (i.e., advances) in accordance with policies and procedures, established by the Board of Directors of the FHLB which are subject to the oversight of the Federal Housing Finance Board. All advances from the FHLB are required to be fully secured by sufficient collateral as determined by the FHLB. In addition, all long-term advances are required to provide funds for residential home financing.

FHLB provides certain services to our Company such as processing checks and other items, buying and selling federal funds, handling money transfers and exchanges, shipping coin and currency, providing security and safekeeping of funds or other valuable items and furnishing limited management information and advice. As compensation for these services, our Company maintains certain balances with FHLB in interest-bearing accounts.

Under federal law, the FHLBs are required to provide funds for the resolution of troubled savings companies and to contribute to low and moderately-priced housing programs through direct loans or interest subsidies on advances targeted for community investment and low and moderate-income housing projects.

Title 6 of the Gramm-Leach-Bliley Act, entitled the Federal Home Loan Bank System Modernization Act of 1999 (called the FHLB Modernization Act), amended the Federal Home Loan Bank Act to allow voluntary membership and modernized the capital structure and governance of the FHLBs. The capital structure established under the FHLB Modernization Act sets forth leverage and risk-based capital requirements based on permanence of capital. It also requires some minimum investment in the stock of the FHLBs of all member entities. Capital includes retained earnings and two forms of stock: Class A stock redeemable within six months upon written notice and Class B stock redeemable within five years upon written notice. The FHLB Modernization Act also reduced the period of time in which a member exiting the FHLB system must stay out of the system.

Real Estate Lending Evaluations

The federal regulators have adopted uniform standards for evaluations of loans secured by real estate or made to finance improvements to real estate. Banks are required to establish and maintain written internal real estate lending policies consistent with safe and sound banking practices and appropriate to the size of the institution and the nature and scope of its operations. The regulations establish loan to value ratio limitations on real estate loans. Our Company's loan policies establish limits on loan to value ratios that are equal to or less than those established in such regulations.

Commercial Real Estate Concentrations

Our lending operations may be subject to enhanced scrutiny by federal banking regulators based on our concentration of commercial real estate loans. The federal banking regulators previously issued guidance reminding financial institutions of the risk posed by commercial real estate (CRE) lending concentrations. CRE loans generally include land development, construction loans, and loans secured by multifamily property, and nonfarm, nonresidential real property where the primary source of repayment is derived from rental income associated with the property. The guidance prescribes the following guidelines for its examiners to help identify institutions that are potentially exposed to significant CRE risk and may warrant greater supervisory scrutiny:

total reported loans for construction, land development and other land (C&D) represent 100% or more of the institution s total capital; or

total CRE loans represent 300% or more of the institution s total capital, and the outstanding balance of the institution s CRE loan portfolio has increased by 50% or more.

As of December 31, 2013, excluding purchased non-covered and covered assets, our C&D concentration as a percentage of capital totaled 46.2% and our CRE concentration, net of owner-occupied loans, as a percentage of capital totaled 159.2%. Including purchased non-covered and covered loans subject to loss-share agreements with the FDIC, the Company s C&D concentration as a percentage of capital totaled 69.7% and our CRE concentration, net of owner-occupied loans, as a percentage of capital totaled 232.1%.

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Limitations on Incentive Compensation

The Dodd-Frank Act requires the federal banking regulators and other agencies, including the SEC, to issue regulations or guidelines requiring disclosure to the regulators of incentive-based compensation arrangements and to prohibit incentive-based compensation arrangements for directors, officers or employees that encourage inappropriate risks by providing excessive compensation, fees or benefits or that could lead to material financial loss to a financial institution. Proposed regulations for this purpose have been published, which are based upon the key principles that incentive compensation arrangements should (i) provide incentives that do not encourage risk-taking beyond the organization's ability to effectively identify and manage risks, (ii) be compatible with effective internal controls and risk management, and (iii) be supported by strong corporate governance, including active and effective oversight by the organization's board of directors and appropriate policies, procedures and monitoring. The proposed regulations are consistent with the Guidance on Sound Incentive Compensation Policies issued by the Federal Reserve, the FDIC and other regulators in June 2010.

As part of the regular, risk-focused examination process, the incentive compensation arrangements of banking organizations will be reviewed, and the regulator's findings will be incorporated into the organization's supervisory ratings, which can affect the organization's ability to make acquisitions and take other actions. Enforcement actions may be taken against a banking organization if its incentive compensation arrangements, or related risk-management control or governance processes, pose a risk to the organization's safety and soundness and the organization is not taking prompt and effective measures to correct any deficiencies.

Economic Environment

The policies of regulatory authorities, including the monetary policy of the Federal Reserve, have a significant effect on the operating results of bank holding companies and their subsidiaries. Among the means available to the Federal Reserve to affect the money supply are open market operations in U.S. government securities, changes in the discount rate on member bank borrowings and changes in reserve requirements against member bank deposits. These means are used in varying combinations to influence overall growth and distribution of bank loans, investments and deposits, and their use may affect interest rates charged on loans or paid on deposits.

The Federal Reserve's monetary policies have materially affected the operating results of commercial banks in the past and are expected to continue to do so in the future. The nature of future monetary policies and the effect of these policies on the business and earnings of our Company cannot be known at this time.

Evolving Legislation and Regulatory Action

The Dodd-Frank Act was signed into law in 2010 and implements many new changes in the way financial and banking operations are regulated in the United States, including through the creation of a new resolution authority, mandating higher capital and liquidity requirements, requiring banks to pay increased fees to regulatory agencies and numerous other provisions intended to strengthen the financial services sector. The Dodd-Frank Act provides for the creation of the Financial Stability Oversight Council (FSOC), which is charged with overseeing and coordinating the efforts of the primary U.S. financial regulatory agencies (including the Federal Reserve, the FDIC and the SEC) in establishing regulations to address systemic financial stability concerns. The Dodd-Frank Act also provides for the creation of the Consumer Financial Protection Bureau (the CFPB), a consumer financial services regulator. The CFPB is authorized to prevent unfair, deceptive and abusive practices and ensure that consumers have access to markets for consumer financial products and services and that such markets are fair, transparent and competitive. Many aspects of the Dodd-Frank Act are subject to further rulemaking and will take effect over several years, with the result that the overall financial impact on the Company and the Bank cannot be anticipated at this time.

In addition, from time to time, various other legislative and regulatory initiatives are introduced in Congress and state legislatures, as well as by regulatory agencies, that may impact the Company or the Bank. Such initiatives may include proposals to expand or contract the powers of bank holding companies and depository institutions or proposals to substantially change the financial institution regulatory system. Such legislation could change banking statutes and the operating environment of Ameris in substantial and unpredictable ways. If enacted, such legislation could increase or decrease the cost of doing business, limit or expand permissible activities or affect the competitive balance among banks, savings associations, credit unions and other financial institutions. The Company cannot predict whether any such legislation will be enacted, and, if enacted, the effect that it, or any implementing regulations, would have on the financial condition or results of operations of the Company. A change in statutes, regulations or regulatory policies applicable to the Company or the Bank could have a material effect on the business of the Company.

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ITEM 1A. RISK FACTORS

An investment in our Common Stock is subject to risks inherent in our business. The material risks and uncertainties that management believes affect Ameris are described below. Before making an investment decision, you should carefully consider the risks and uncertainties described below, together with all of the other information included or incorporated by reference in this Annual Report. The risks and uncertainties described below are not the only ones facing the Company. Additional risks and uncertainties that management is not aware of or focused on or that management currently deems immaterial may also impair the Company's business operations. This Annual Report is qualified in its entirety by these risk factors.

If any of the following risks or uncertainties actually occurs, the Company's financial condition and results of operations could be materially and adversely affected. If this were to happen, the value of the Common Stock could decline significantly, and you could lose all or part of your investment.

RISKS RELATED TO OUR COMPANY AND INDUSTRY

Difficult market conditions have adversely affected the industry in which we operate.

The capital and credit markets have been experiencing volatility and disruption for over five years. Declines in the housing market over this period, with falling home prices and increasing foreclosures, unemployment and under-employment, have negatively impacted the credit performance of mortgage loans and resulted in significant write-downs of asset values by financial institutions, including government-sponsored entities, as well as major commercial and investment banks. As a result of the broad based economic decline and the troubled economic conditions, financial institutions have pursued defensive strategies, including seeking additional capital. In some cases, financial institutions that did not pursue defensive strategies or did not succeed in those strategies, have failed. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have reduced or ceased providing funding to borrowers, including to other financial institutions. Additionally, the market disruptions have increased the level of commercial and consumer delinquencies, lack of consumer confidence, increased market volatility and widespread reduction of business activity generally. We do not expect that the difficult conditions in the financial markets are likely to improve materially in the near future and are managing the Company with numerous defensive strategies. A worsening of the current conditions would exacerbate the adverse effects of these difficult market conditions on us and others in the financial institutions industry. In particular, we may face the following risks in connection with these events:

Unreliable market conditions with significantly reduced real estate activity may adversely affect our ability to determine the fair value of the assets we hold. If we determine that a significant portion of our assets have values that are significantly below their recorded carrying value, we could recognize a material charge to earnings in the quarter during which such determination was made, our capital ratios would be affected and this may result in increased regulatory scrutiny.

We may expect to face increased regulation of our industry, including as a result of the Dodd-Frank Act. Compliance with such regulation may increase our costs and limit our ability to pursue business opportunities.

Market developments and the resulting economic pressure on consumers may affect consumer confidence levels and may cause increases in delinquencies and default rates, which, among other effects, could affect our charge-offs and provision for loan losses.

Competition in the industry could intensify as a result of the increasing consolidation of financial services companies in connection with current market conditions.

Recent legislation and regulatory proposals in response to recent turmoil in the financial markets may materially adversely affect our business and results of operations.

The banking industry is heavily regulated. We are subject to examinations, supervision and comprehensive regulation by various federal and state agencies. Our compliance with these regulations is costly and restricts certain of our activities. Banking regulations are primarily intended to protect the federal deposit insurance fund and depositors, not shareholders. The burden imposed by federal and state regulations puts banks at a competitive disadvantage compared to less regulated competitors such as finance companies, mortgage banking companies and leasing companies. Changes in the laws, regulations and regulatory practices affecting the banking industry may increase our costs of doing business or otherwise adversely affect us and create competitive advantages for others. Federal economic and monetary policies may also affect our ability to attract deposits and other funding sources, make loans and investments and achieve satisfactory interest spreads.

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The Dodd-Frank Act represents a significant overhaul of many aspects of the regulation of the financial-services industry, including new or revised regulation of such things as systemic risk, capital adequacy, deposit insurance assessments and consumer financial protection. In addition, the federal banking regulators have issued joint guidance on incentive compensation and the Treasury and the federal banking regulators have issued statements calling for higher capital and liquidity requirements for banking organizations. Complying with these and other new legislative or regulatory requirements, and any programs established thereunder, could have a material adverse impact on our results of operations, our financial condition and our ability to fill positions with the most qualified candidates available.

Our revenues are highly correlated to market interest rates.

Our assets and liabilities are primarily monetary in nature, and as a result, we are subject to significant risks tied to changes in interest rates. Our ability to operate profitably is largely dependent upon net interest income. In 2013, net interest income made up 71.5% of our recurring revenue. Unexpected movement in interest rates, that may or may not change the slope of the current yield curve, could cause our net interest margins to decrease, subsequently decreasing net interest income. In addition, such changes could materially adversely affect the valuation of our assets and liabilities.

At present our one-year interest rate sensitivity position is mildly liability sensitive, such that a gradual increase in interest rates during the next twelve months should have a slightly negative impact on net interest income during that period. However, as with most financial institutions, our results of operations are affected by changes in interest rates and our ability to manage this risk. The difference between interest rates charged on interest-earning assets and interest rates paid on interest-bearing liabilities may be affected by changes in market interest rates, changes in relationships between interest rate indices, and changes in the relationships between long-term and short-term market interest rates. In addition, the mix of assets and liabilities could change as varying levels of market interest rates might present our customer base with more attractive options.

Certain changes in interest rates, inflation, deflation or the financial markets could affect demand for our products and our ability to deliver products efficiently.

Loan originations, and potentially loan revenues, could be materially adversely impacted by sharply rising interest rates. Conversely, sharply falling rates could increase prepayments within our securities portfolio lowering interest earnings from those investments. An unanticipated increase in inflation could cause our operating costs related to salaries and benefits, technology and supplies to increase at a faster pace than revenues.

The fair market value of our securities portfolio and the investment income from these securities also fluctuate depending on general economic and market conditions. In addition, actual net investment income and/or cash flows from investments that carry prepayment risk, such as mortgage-backed and other asset-backed securities, may differ from those anticipated at the time of investment as a result of interest rate fluctuations.

The downgrade of the U.S. credit rating could have a material adverse effect on our business, financial condition and liquidity.

Standard & Poor's lowered its long-term sovereign credit rating on the United States of America from AAA to AA+ in 2011 and affirmed that rating in 2013. A further downgrade by Standard & Poor's or one or more other rating agencies could have a material adverse impact on financial markets and economic conditions in the United States and worldwide. Any such adverse impact could have a material adverse effect on our liquidity, financial condition and results of operations.

Our concentration of real estate loans subjects the Company to risks that could materially adversely affect our results of operations and financial condition.

The majority of our loan portfolio is secured by real estate. As the economy has deteriorated and depressed real estate values, the collateral value of the portfolio and the revenue stream from those loans has come under stress and has required additional provision to the allowance for loan losses. Our ability to dispose of foreclosed real estate and resolve credit quality issues is dependent on real estate activity and real estate prices, both of which have been unpredictable for more than five years.

Greater loan losses than expected may materially adversely affect our earnings.

We, as lenders, are exposed to the risk that our customers will be unable to repay their loans in accordance with their terms and that any collateral securing the payment of their loans may not be sufficient to assure repayment. Credit losses are inherent in the business of making loans and could have a material adverse effect on our operating results. Our credit risk with respect to our real estate and construction loan portfolio will relate principally to the creditworthiness of business entities and the value of the real estate serving as security for the repayment of loans. Our credit risk with respect to our commercial and consumer loan portfolio will relate principally to the general creditworthiness of businesses and individuals within our local markets.

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We make various assumptions and judgments about the collectability of our loan portfolio and provide an allowance for estimated loan losses based on a number of factors. We believe that our current allowance for loan losses is adequate. However, if our assumptions or judgments prove to be incorrect, the allowance for loan losses may not be sufficient to cover actual loan losses. We may have to increase our allowance in the future in response to the request of one of our primary banking regulators, to adjust for changing conditions and assumptions, or as a result of any deterioration in the quality of our loan portfolio. The actual amount of future provisions for loan losses cannot be determined at this time and may vary from the amounts of past provisions.

Our business is highly correlated to local economic conditions in a geographically concentrated part of the United States.

Unlike larger organizations that are more geographically diversified, our banking offices are primarily concentrated in select markets in Georgia, Alabama, Florida and South Carolina. As a result of this geographic concentration, our financial results depend largely upon economic conditions in these market areas. Deterioration in economic conditions in the markets we serve could result in one or more of the following:

an increase in loan delinquencies;

an increase in problem assets and foreclosures;

a decrease in the demand for our products and services; and

a decrease in the value of collateral for loans, especially real estate, in turn reducing customers' borrowing power, the value of assets associated with problem loans and collateral coverage.

We face additional risks due to our increased mortgage banking activities that could negatively impact net income and profitability.

We sell substantially all of the mortgage loans that we originate. The sale of these loans generates noninterest income and can be a source of liquidity for the Bank. Disruption in the secondary market for residential mortgage loans as well as continued declines in real estate values could result in one or more of the following:

our inability to sell mortgage loans on the secondary market, which could negatively impact our liquidity position;

continued declines in real estate values could decrease the potential of mortgage originations, which could negatively impact our earnings;

if it is determined that loans were made in breach of our representations and warranties to the secondary market, we could incur losses associated with the loans;

increased compliance requirements could result in higher compliance costs, higher foreclosure proceedings or lower loan origination volume, all which could negatively impact future earnings; and

a rise in interest rates could cause a decline in mortgage originations, which could negatively impact our earnings.

Our growth and financial performance may be negatively impacted if we are unable to successfully execute our growth plans.

Economic conditions and other factors, such as our ability to identify appropriate markets for expansion, our ability to recruit and retain qualified personnel, our ability to fund earning asset growth at a reasonable and profitable level, sufficient capital to support our growth initiatives, competitive factors and banking laws, will impact our success.

We may seek to supplement our internal growth through acquisitions. We cannot predict with certainty the number, size or timing of acquisitions, or whether any such acquisitions will occur at all. Our acquisition efforts have traditionally focused on targeted banking entities in markets in which we currently operate and markets in which we believe we can compete effectively. However, as consolidation of the financial services industry continues, the competition for suitable acquisition candidates may increase. We may compete with other financial services companies for acquisition opportunities, and many of these competitors have greater financial resources than we do and may be able to pay more for an acquisition than we are able or willing to pay. We also may need additional debt or equity financing in the future to fund acquisitions. We may not be able to obtain additional financing or, if available, it may not be in amounts and on terms acceptable to us. If we are unable to locate suitable acquisition candidates willing to sell on terms acceptable to us, or we are otherwise unable to obtain additional debt or equity financing necessary for us to continue making acquisitions, we would be required to find other methods to grow our business and we may not grow at the same rate we have in the past, or at all.

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Generally, we must receive federal regulatory approval before we can acquire a bank or bank holding company. In determining whether to approve a proposed bank acquisition, federal bank regulators will consider, among other factors, the effect of the acquisition on the competition, financial condition and future prospects. The regulators also review current and projected capital ratios and levels, the competence, experience and integrity of management and its record of compliance with laws and regulations, the convenience and needs of the communities to be served (including the acquiring institution's record of compliance under the Community Reinvestment Act) and the effectiveness of the acquiring institution in combating money laundering activities. We cannot be certain when or if, or on what terms and conditions, any required regulatory approvals will be granted. We may also be required to sell banks or branches as a condition to receiving regulatory approval, which condition may not be acceptable to us or, if acceptable to us, may reduce the benefit of any acquisition.

In the past, we have utilized de novo branching in new and existing markets as a way to supplement our growth. De novo branching and any acquisition carry with it numerous risks, including the following:

the inability to obtain all required regulatory approvals;

significant costs and anticipated operating losses associated with establishing a de novo branch or a new bank;

the inability to secure the services of qualified senior management;

the local market may not accept the services of a new bank owned and managed by a bank holding company headquartered outside of the market area of the new bank;

economic downturns in the new market;

the inability to obtain attractive locations within a new market at a reasonable cost; and

the additional strain on management resources and internal systems and controls.

We have experienced to some extent many of these risks with our de novo branching to date.

We rely on dividends from the Bank for most of our revenue.

Ameris is a separate and distinct legal entity from its subsidiaries. It receives substantially all of its revenue from dividends from the Bank. These dividends are the principal source of funds to pay dividends on the Common Stock and interest and principal on the Company's debt. Various federal and state laws and regulations limit the amount of dividends that the Bank may pay to the Company. Also, the Company's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to the prior claims of the subsidiary's creditors. In the event the Bank is unable to pay dividends to the Company, the Company may not be able to service debt, pay obligations or pay dividends on the Common Stock and its business, financial condition and results of operations may be materially

adversely affected. Consequently, cash-based activities, including further investments in or support of, the Bank could require borrowings or additional issuances of common or preferred stock.

We are subject to regulation by various federal and state entities.

We are subject to the regulations of the SEC, the Federal Reserve, the FDIC and the GDBF. New regulations issued by these agencies may adversely affect our ability to carry on our business activities. We are subject to various federal and state laws and certain changes in these laws and regulations may adversely affect our operations. Noncompliance with certain of these regulations may impact our business plans, including our ability to branch, offer certain products or execute existing or planned business strategies.

We are also subject to the accounting rules and regulations of the SEC and the Financial Accounting Standards Board. Changes in accounting rules could materially adversely affect the reported financial statements or our results of operations and may also require extraordinary efforts or additional costs to implement. Any of these laws or regulations may be modified or changed from time to time, and we cannot be assured that such modifications or changes will not adversely affect us.

We are subject to industry competition which may have an impact upon our success.

Our profitability depends on our ability to compete successfully. We operate in a highly competitive financial services environment. Certain competitors are larger and may have more resources than we do. We face competition in our regional market areas from other commercial banks, savings and loan associations, credit unions, internet banks, finance companies, mutual funds, insurance companies, brokerage and investment banking firms, and other financial intermediaries that offer similar services. Some of our nonbank competitors are not subject to the same extensive regulations that govern us or our bank subsidiary and may have greater flexibility in competing for business.

Another competitive factor is that the financial services market, including banking services, is undergoing rapid changes with frequent introductions of new technology-driven products and services. Our future success may depend, in part, on our ability to use technology competitively to provide products and services that provide convenience to customers and create additional efficiencies in our operations.

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Changes in the policies of monetary authorities and other government action could materially adversely affect our profitability.

The results of our operations are affected by credit policies of monetary authorities, particularly the Federal Reserve. The instruments of monetary policy employed by the Federal Reserve include open market operations in U.S. government securities, changes in the discount rate or the federal funds rate on bank borrowings and changes in reserve requirements against bank deposits. In view of uncertain conditions in the national economy and in the money markets, we cannot predict with certainty possible future changes in interest rates, deposit levels, loan demand or our business and earnings.

We may need to rely on the financial markets to provide needed capital.

Our Common Stock is listed and traded on the NASDAQ Global Select Market (NASDAQ). Although we anticipate that our capital resources will be adequate for the foreseeable future to meet our capital requirements, at times we may depend on the liquidity of the NASDAQ market to raise equity capital. If the market should fail to operate, or if conditions in the capital markets are adverse, we may be constrained in raising capital. Downgrades in the opinions of the analysts that follow our Company may cause our stock price to fall and significantly limit our ability to access the markets for additional capital requirements. Should these risks materialize, our ability to further expand our operations through internal growth or acquisition may be limited.

We may invest or spend the proceeds in stock offerings in ways with which you may not agree and in ways that may not earn a profit.

We may choose to use the proceeds of future stock offerings for general corporate purposes, including for possible acquisition opportunities that may become available, such as future FDIC-assisted transactions. It is not known whether suitable acquisition opportunities may become available or whether we will be able to successfully complete any such acquisitions. We may use the proceeds of an offering only to focus on sustaining our organic, or internal, growth or for other purposes. In addition, we may use all or a portion of the proceeds of an offering to support our capital. You may not agree with the ways we decide to use the proceeds of any stock offerings, and our use of the proceeds may not yield any profits.

We face risks related to our operational, technological and organizational infrastructure.

Our ability to grow and compete is dependent on our ability to build or acquire the necessary operational and technological infrastructure and to manage the cost of that infrastructure while we expand. Similar to other large corporations, in our case, operational risk can manifest itself in many ways, such as errors related to failed or inadequate processes, faulty or disabled computer systems, fraud by employees or persons outside of our Company and exposure to external events. We are dependent on our operational infrastructure to help manage these risks. In addition, we are heavily dependent on the strength and capability of our technology systems which we use both to interface with our customers and to manage our internal financial and other systems. Our ability to develop and deliver new products that meet the needs of our existing customers and attract new customers depends in part on the functionality of our technology systems. Additionally, our ability to run our business in compliance with applicable laws and regulations is dependent on these infrastructures.

We continuously monitor our operational and technological capabilities and make modifications and improvements when we believe it will be cost effective to do so. In some instances, we may build and maintain these capabilities ourselves. We also outsource some of these functions to third parties. These third parties may experience errors or disruptions that could adversely impact us and over which we may have limited control. We also face risk from the

integration of new infrastructure platforms and/or new third party providers of such platforms into our existing businesses.

Financial services companies depend on the accuracy and completeness of information about customers and counterparties.

In deciding whether to extend credit or enter into other transactions, the Company may rely on information furnished by or on behalf of customers and counterparties, including financial statements, credit reports and other financial information. The Company may also rely on representations of those customers, counterparties or other third parties, such as independent auditors, as to the accuracy and completeness of that information. Reliance on inaccurate or misleading financial statements, credit reports or other financial information could have a material adverse impact on the Company's business and, in turn, the Company's financial condition and results of operations.

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Reputational risk and social factors may impact our results.

Our ability to originate and maintain accounts is highly dependent upon customer and other external perceptions of our business practices and our financial health. Adverse perceptions regarding our business practices or our financial health could damage our reputation in both the customer and funding markets, leading to difficulties in generating and maintaining accounts as well as in financing them. Adverse developments with respect to the consumer or other external perceptions regarding the practices of our competitors, or our industry as a whole, may also adversely impact our reputation. In addition, adverse reputational impacts on third parties with whom we have important relationships may also adversely impact our reputation. Adverse impacts on our reputation, or the reputation of our industry, may also result in greater regulatory or legislative scrutiny, which may lead to laws, regulations or regulatory actions that may change or constrain the manner in which we engage with our customers and the products we offer. Adverse reputational impacts or events may also increase our litigation risk. We carefully monitor internal and external developments for areas of potential reputational risk and have established governance structures to assist in evaluating such risks in our business practices and decisions.

We may not be able to attract and retain skilled people.

The Company's success depends, in large part, on its ability to attract and retain key people. Competition for the best people in most activities engaged in by the Company can be intense and the Company may not be able to hire people or to retain them. The unexpected loss of services of one or more of the Company's key personnel could have a material adverse impact on the Company's business because of their skills, knowledge of the Company's market, years of industry experience and the difficulty of promptly finding qualified replacement personnel.

We engage in acquisitions of other businesses from time to time, including FDIC-assisted acquisitions. These acquisitions may not produce revenue or earnings enhancements or cost savings at levels or within timeframes originally anticipated and may result in unforeseen integration difficulties.

When appropriate opportunities arise, we will engage in acquisitions of other businesses. Difficulty in integrating an acquired business or company may cause us not to realize expected revenue increases, cost savings, increases in geographic or product presence or other anticipated benefits from any acquisition. The integration could result in higher than expected deposit attrition (run-off), loss of key employees, disruption of our business or the business of the acquired company, or otherwise adversely affect our ability to maintain relationships with customers and employees or achieve the anticipated benefits of the acquisition. We will likely need to make additional investments in equipment and personnel to manage higher asset levels and loan balances as a result of any significant acquisition, which may materially adversely impact our earnings. Also, the negative effect of any divestitures required by regulatory authorities in acquisitions or business combinations may be greater than expected.

In evaluating potential acquisition opportunities, we may seek to acquire failed banks through FDIC-assisted transactions. While the FDIC may, in such transactions, provide assistance to mitigate certain risks, such as sharing in exposure to loan losses, and providing indemnification against certain liabilities, of the failed institution, we may not be able to accurately estimate our potential exposure to loan losses and other potential liabilities, or the difficulty of integration, in acquiring such institution.

Depending on the condition of any institution that we may acquire, any acquisition may, at least in the near term, materially adversely affect our capital and earnings and, if not successfully integrated following the acquisition, may continue to have such effects.

FDIC-assisted acquisition opportunities may not become available and increased competition may make it more difficult for us to bid on failed bank transactions on terms we consider to be acceptable.

Our near-term business strategy includes consideration of potential acquisitions of failing banks that the FDIC plans to place in receivership. The FDIC may not place banks that meet our strategic objectives into receivership. Failed bank transactions are attractive opportunities in part because of loss-sharing arrangements with the FDIC that limit the acquirer's downside risk on the purchased loan portfolio and, apart from our assumption of deposit liabilities, we have significant discretion as to the nondeposit liabilities that we assume. In addition, assets purchased from the FDIC are marked to their fair value and in many cases there is little or no addition to goodwill arising from an FDIC-assisted transaction. The bidding process for failing banks could become very competitive, and the increased competition may make it more difficult for us to bid on terms we consider to be acceptable.

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Changes in national and local economic conditions could lead to higher loan charge-offs in connection with past FDIC-assisted transactions, all of which may not be supported by loss-sharing agreements with the FDIC.

Although loan portfolios acquired in past FDIC-assisted transactions have initially been accounted for at fair value, we do not yet know whether many of the loans we acquired will become impaired, and impairment may result in additional charge-offs to the portfolio. The fluctuations in national, regional and local economic conditions, including those related to local residential, commercial real estate and construction markets, may increase the level of charge-offs that we make to our loan portfolio, and, consequently, reduce our net income, and may also increase the level of charge-offs on the loan portfolios that we have acquired such acquisitions and correspondingly reduce our net income. These fluctuations are not predictable, cannot be controlled and may have a material adverse impact on our operations and financial condition even if other favorable events occur.

Although we have entered into loss-sharing agreements with the FDIC which provide that a significant portion of losses related to specified loan portfolios that we have acquired in connection with the FDIC-assisted transactions will be borne by the FDIC, we are not protected for all losses resulting from charge-offs with respect to those specified loan portfolios. Additionally, the loss-sharing agreements have limited terms; therefore, any charge-off of related losses that we experience after the term of the loss-sharing agreements will not be reimbursable by the FDIC and will negatively impact our net income. The loss-sharing agreements also impose standard requirements on us which must be satisfied in order to retain loss share protections.

RISKS RELATED TO OUR COMMON STOCK

The price of our Common Stock is volatile and may decline.

The trading price of our Common Stock may fluctuate widely as a result of a number of factors, many of which are outside our control. In addition, the stock market is subject to fluctuations in the share prices and trading volumes that affect the market prices of the shares of many companies. These broad market fluctuations have adversely affected and may continue to adversely affect the market price of our Common Stock. Among the factors that could affect our stock price are:

actual or anticipated quarterly fluctuations in our operating results and financial condition;

changes in revenue or earnings estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other financial institutions;

failure to meet analysts' revenue or earnings estimates;

speculation in the press or investment community;

strategic actions by us or our competitors, such as acquisitions or restructurings;

actions by institutional shareholders;

fluctuations in the stock price and operating results of our competitors;

general market conditions and, in particular, developments related to market conditions for the financial services industry;

proposed or adopted regulatory changes or developments;

anticipated or pending investigations, proceedings or litigation that involve or affect us; or

domestic and international economic factors unrelated to our performance.

A significant decline in our stock price could result in substantial losses for individual shareholders and could lead to costly and disruptive securities litigation.

Securities issued by us, including our Common Stock, are not FDIC insured.

Securities issued by us, including our Common Stock, are not savings or deposit accounts or other obligations of any bank and are not insured by the FDIC, the Deposit Insurance Fund or any other governmental agency or instrumentality, or any private insurer, and are subject to investment risk, including the possible loss of principal.

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We may issue debt and equity securities or securities convertible into equity securities, any of which may be senior to our Common Stock as to distributions and in liquidation, which could negatively affect the value of our Common Stock.

In the future, we may attempt to increase our capital resources by entering into debt or debt-like financing that is unsecured or secured by up to all of our assets, or by issuing additional debt or equity securities, which could include issuances of secured or unsecured commercial paper, medium-term notes, senior notes, subordinated notes, preferred stock or securities convertible into or exchangeable for equity securities. In the event of our liquidation, our lenders and holders of our debt and preferred securities would receive a distribution of our available assets before distributions to the holders of our Common Stock. Because our decision to incur debt and issue securities in our future offerings will depend on market conditions and other factors beyond our control, we cannot predict or estimate with certainty the amount, timing or nature of our future offerings and debt financings. Further, market conditions could require us to accept less favorable terms for the issuance of our securities in the future.

You may not receive dividends on the Common Stock.

Holders of our Common Stock are only entitled to receive such dividends as our Board of Directors may declare out of funds legally available for such payments. In 2010, in response to anticipated increases in corporate risks, our Board suspended the payment of dividends on our Common Stock.

Sales of a significant number of shares of our Common Stock in the public markets, or the perception of such sales, could depress the market price of our Common Stock.

Sales of a substantial number of shares of our Common Stock in the public markets and the availability of those shares for sale could adversely affect the market price of our Common Stock. In addition, future issuances of equity securities, including pursuant to outstanding options, could dilute the interests of our existing shareholders and could cause the market price of our Common Stock to decline. We may issue such additional equity or convertible securities to raise additional capital. Depending on the amount offered and the levels at which we offer the stock, issuances of common or preferred stock could be substantially dilutive to shareholders of our Common Stock. Moreover, to the extent that we issue restricted stock, phantom shares, stock appreciation rights, options or warrants to purchase our Common Stock in the future and those stock appreciation rights, options or warrants are exercised or as shares of the restricted stock vest, our shareholders may experience further dilution. Holders of our shares of Common Stock have no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in increased dilution to our shareholders. We cannot predict with certainty the effect that future sales of our Common Stock would have on the market price of our Common Stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Company's corporate headquarters is located at 310 First St. SE, Moultrie, Georgia 31768. The Company occupies approximately 6,300 square feet at this location plus an additional 37,248 square feet used for support services for banking operations, including credit, sales and operational support, as well as audit and loan review services. In addition to its corporate headquarters, Ameris operates 68 office or branch locations, of which 56 are owned and 12 are subject to either building or ground leases, and eight mortgage production offices, all of which are subject to building leases. At December 31, 2013, there were no significant encumbrances on the offices, equipment or other

operational facilities owned by Ameris and the Bank.

ITEM 3. LEGAL PROCEEDINGS

From time to time, the Company and the Bank are parties to legal proceedings arising in the ordinary course of our business operations. Management, after consultation with legal counsel, does not anticipate that current litigation will have a material adverse effect on the Company's financial position or results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Table of Contents**PART II****ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES****Market Price of Common Stock**

The Common Stock is listed on NASDAQ under the symbol ABCB. The following table sets forth: (i) the high and low sales prices for the Common Stock as quoted on NASDAQ during 2013 and 2012, as adjusted for stock dividends; and (ii) the amount of quarterly dividends declared on the Common Stock during the periods indicated. The high and low sales prices reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

Quarter Ended 2013	High	Low	Dividend
March 31	\$ 14.51	\$ 12.79	-
June 30	16.94	13.16	-
September 30	19.79	17.35	-
December 31	21.42	17.69	-
Quarter Ended 2012	High	Low	Dividend
March 31	\$ 13.32	\$ 10.34	-
June 30	13.40	10.88	-
September 30	12.88	11.27	-
December 31	12.71	10.50	-

Dividends

The amount of and nature of any dividends declared on our Common Stock in the future will be determined by our Board of Directors in its sole discretion. During 2010, the Board suspended the payment of dividends. Should the Board determine to declare a cash dividend in the future, the Company would be required to comply with the restrictions on the payment of dividends in respect of the Common Stock discussed in the section of Part I, Item 1 of this Annual Report captioned Payment of Dividends and Other Restrictions.

Holder of Common Stock

As of February 28, 2014, there were approximately 2,219 holders of record of the Common Stock. The Company believes a portion of Common Stock outstanding is held either in nominee name or street name brokerage accounts; therefore, the Company is unable to determine the number of beneficial owners of the Common Stock.

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Performance Graph

Set forth below is a line graph comparing the change in the cumulative total shareholder return on the Common Stock against the cumulative return of the NASDAQ Stock Market (U.S. Companies) index and the index of NASDAQ Bank Stocks for the five-year period commencing December 31, 2008, and ending December 31, 2013. This line graph assumes an investment of \$100 on December 31, 2007, and reinvestment of dividends and other distributions to shareholders.

Pursuant to the regulations of the SEC, this performance graph is not soliciting material, is not deemed filed with the SEC and is not to be incorporated by reference in any filing of the Company under the Securities Act or the Exchange Act.

Table of Contents**ITEM 6. SELECTED FINANCIAL DATA**

The following table presents selected consolidated financial information for Ameris. The data set forth below is derived from the audited consolidated financial statements of Ameris. Acquisitions, including the FDIC-assisted transactions completed between 2009 and 2012 and the acquisition of Prosperity completed in 2013, significantly affected the comparability of selected financial data. Specifically, since the FDIC-assisted acquisitions were accounted for using the purchase method, the assets of the acquired institutions were recorded at their fair values, the excess purchase price over the net fair value of the assets was recorded as goodwill and the results of operations for the business have been included in the Company's results since the respective dates these acquisitions were completed. Accordingly, the level of our assets and liabilities and our results of operations for these acquisitions have significantly affected the Company's financial position and results of operations. Discussion of these acquisitions can be found in the "Corporate Restructuring and Business Combinations" section of Part I, Item 1. of this Annual Report and in Note 3, "Assets Acquired in FDIC-Assisted Acquisitions," in the Notes to Consolidated Financial Statements. The selected financial data should be read in conjunction with, and is qualified in its entirety by, the Consolidated Financial Statements and the Notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere herein.

	Year Ended December 31,				
	2013	2012	2011	2010	2009
	(Dollars in Thousands, Except Per Share Data)				
Selected Balance Sheet Data:					
Total assets	\$ 3,666,746	\$ 3,019,052	\$ 2,994,307	\$ 2,972,168	\$ 2,423,970
Total non-covered loans	2,067,207	1,450,635	1,332,086	1,374,757	1,584,359
Covered assets (loans and OREO)	436,130	595,985	650,106	609,922	146,585
Investment securities available for sale	486,235	346,909	339,967	322,581	245,556
FDIC loss-share receivable	65,441	159,724	242,394	177,187	45,840
Total deposits	2,999,231	2,624,663	2,591,566	2,535,426	2,123,116
Stockholders' equity	315,796	279,017	293,770	273,407	194,964
Selected Income Statement Data:					
Interest income	\$ 126,322	\$ 129,479	\$ 141,071	\$ 119,071	\$ 114,573
Interest expense	10,137	15,074	27,547	29,794	40,550
Net interest income	116,185	114,405	113,524	89,277	74,023
Provision for loan losses	11,486	31,089	32,729	50,521	42,068
Other income	46,549	57,874	52,807	35,248	58,353
Other expenses	121,945	119,470	101,953	81,188	124,800
Income/(loss) before income taxes	29,303	21,720	31,649	(7,184)	(34,492)
Income tax expense/(benefit)	9,285	7,285	10,556	(3,195)	7,297
Net income/(loss)	\$ 20,018	\$ 14,435	\$ 21,093	\$ (3,989)	\$ (41,789)
Preferred stock dividends	1,738	3,577	3,241	3,213	3,161

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Net income/(loss) available to common shareholders	\$	18,280	\$	10,858	\$	17,852	\$	(7,202)	\$	(44,950)
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Per Share Data:

Net income/(loss) basic	\$	0.76	\$	0.46	\$	0.76	\$	(0.35)	\$	(3.27)
Net income/(loss) diluted		0.75		0.46		0.76		(0.35)		(3.27)
Common book value		11.50		10.56		10.23		9.44		10.52
Common dividends cash		-		-		-		-		.10
Common dividends stock		-		-		-		3 for 157		2 for 130

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	Year Ended December 31,				
	2013	2012	2011	2010	2009
	(Dollars in Thousands, Except Per Share Data)				
Profitability Ratios:					
Net income (loss) to average total assets	0.70%	0.49%	0.60%	(0.37)%	(0.52)%
Net income (loss) to average common stockholders equity	8.06	5.99	7.21	(4.44)	(6.25)
Net interest margin	4.74	4.60	4.57	4.11	3.52
Efficiency ratio	74.94	69.35	61.30	65.20	74.61
Loan Quality Ratios:					
Net charge-offs to average loans*	0.69%	2.76%	2.23%	3.33%	2.77%
Allowance for loan losses to total loans *	1.38	1.63	2.64	2.52	2.26
Nonperforming assets to total loans and OREO*	3.49	5.28	8.76	8.38	6.87
Liquidity Ratios:					
Loans to total deposits	81.94%	74.61%	73.45%	76.11%	84.09%
Average loans to average earnings assets	78.08	77.83	76.72	76.50	79.26
Noninterest-bearing deposits to total deposits	22.29	19.46	15.26	11.91	11.16
Capital Adequacy Ratios:					
Stockholders equity to total assets	8.63%	9.24%	9.81%	9.20%	8.04%
Common stock dividend payout ratio	NM	NM	NM	NM	NM

* Excludes covered assets.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

During 2013, the Company reported net income available to common shareholders of approximately \$18.3 million, or \$0.76 per share, compared to \$10.9 million, or \$0.46 per share, in 2012. The Company's net income as a percentage of average assets for 2013 and 2012 was 0.70% and 0.49%, respectively, while the Company's net income as a percentage of average shareholders' equity was 8.06% and 6.00%, respectively.

Highlights of the Company's performance in 2013 include the following:

The Company completed the acquisition of Prosperity, increasing total assets by approximately \$744.9 million, total loans by approximately \$449.7 million and total deposits by approximately \$473.7 million. The acquisition added 12 retail offices and increased the Company's presence in northern Florida. The Company recorded \$34.1 million in additional goodwill and \$4.4 million in core deposit intangibles associated with the merger. A total of 1,168,918 shares of Common Stock were issued to the former shareholders of Prosperity.

Excluding the non-accrual loans acquired in the Prosperity acquisition, nonperforming loans decreased approximately \$9.7 million, or 24.9%, to \$29.2 million during 2013. Legacy OREO (excluding the OREO acquired in the Prosperity acquisition) decreased approximately \$6.5 million, or 16.3%, to \$33.4 million during 2013. Net charge-offs for 2013 declined to 0.69% of total legacy loans, compared to 2.76% for 2012. Excluding the bulk sale in the first quarter of 2012, net charge-offs would have been 2.04% of total legacy loans for 2012.

Total credit costs for the year ended December 31, 2013 decreased approximately \$26.8 million, or 49.5%, compared to 2012. Credit costs include the loan loss provision, losses on the sale of problem loans or OREO and legal costs associated with problem loans or OREO. Provision for loan loss expense for 2013 amounted to approximately \$11.5 million, compared to \$31.1 million for 2012. The provision expense in 2012 includes \$10.4 million related to the bulk sale during the first quarter of 2012.

Tangible common equity to tangible assets decreased from 8.20% at December 31, 2012 to 6.83% at December 31, 2013. Tangible common book value per share decreased 5.0% from \$10.39 at December 31, 2012 to \$9.87 at December 31, 2013.

Total assets increased \$648.6 million during 2013, ending the year at \$3.7 billion. During 2013, the Company continued to use the cash flows from covered assets (including loans, OREO and the indemnification asset from FDIC-assisted acquisitions) to grow traditional earning assets. As such, the Company reduced covered assets by approximately \$159.9 million and grew legacy loans and investment securities by \$154.9 million during 2013.

The Company's net interest margin increased slightly to 4.74% in 2013, from 4.60% in 2012. Lower yields on most earning asset classes were offset by lower funding costs. Deposit costs, the Company's largest funding expense, continued to decline from 0.51% in 2012 to 0.34% in 2013, due to shifts in the deposit mix.

CRITICAL ACCOUNTING POLICIES

Ameris has established certain accounting and financial reporting policies to govern the application of accounting principles generally accepted in the United States of America (GAAP) in the preparation of our financial statements. Our significant accounting policies are described in Note 1 to the Consolidated Financial Statements. Certain accounting policies involve significant judgments and assumptions by management which have a material impact on the carrying value of certain assets and liabilities; management considers these accounting policies to be critical accounting policies. The judgments and assumptions used by management are based on historical experience and other factors which are believed to be reasonable under the circumstances. Because of the nature of the judgments and assumptions made by management, actual results could differ from the judgments and estimates adopted by management which could have a material impact on the carrying values of assets and liabilities and the results of our operations. We believe the following accounting policies applied by Ameris represent critical accounting policies.

Allowance for Loan Losses

We believe the allowance for loan losses is a critical accounting policy that requires the most significant judgments and estimates used in the preparation of our consolidated financial statements. The allowance for loan losses represents management's estimate of probable loan losses inherent in the Company's loan portfolio. Calculation of the allowance for loan losses represents a critical accounting estimate due to the significant judgment, assumptions and estimates related to the amount and timing of estimated losses, consideration of subjective environmental factors and the amount and timing of cash flows related to impaired loans.

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Management believes that the allowance for loan losses is adequate. While management uses available information to recognize losses on loans, future additions to the allowance for loan losses may be necessary based on changes in economic conditions. In addition, various regulatory agencies, as an integral part of their examination processes, periodically review the Company's allowance for loan losses. Such agencies may require the Company to recognize additions to the allowance for loan losses based on their judgments about information available to them at the time of their examination.

Considering current information and events regarding a borrower's ability to repay its obligations, management considers a loan to be impaired when the ultimate collectability of all amounts due, according to the contractual terms of the loan agreement, is in doubt. When a loan is considered to be impaired, the amount of impairment is measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or if the loan is collateral-dependent, the fair value of the collateral is used to determine the amount of impairment. Impairment losses are included in the allowance for loan losses through a charge to the provision for losses on loans.

Subsequent recoveries are credited to the allowance for loan losses. Cash receipts for accruing loans are applied to principal and interest under the contractual terms of the loan agreement. Cash receipts on impaired loans for which the accrual of interest has been discontinued are applied first to principal and then to interest income.

Certain economic and interest rate factors could have a material impact on the determination of the allowance for loan losses. An improving economy could result in the expansion of businesses and creation of jobs which would positively affect our loan growth and improve our gross revenue stream. Conversely, certain factors could result from an expanding economy which could increase our credit costs and adversely impact our net earnings. A significant rapid rise in interest rates could create higher borrowing costs and shrinking corporate profits which could have a material impact on a borrower's ability to pay. We will continue to concentrate on maintaining a high quality loan portfolio through strict administration of our loan policy.

Another factor that we have considered in the determination of the allowance for loan losses is loan concentrations to individual borrowers or industries. At December 31, 2013, we did not have any non-covered loans with an outstanding balance that exceeded our in-house credit limit of \$10.0 million. We did have four relationships consisting of 17 different non-covered loans that exceeded our \$10.0 million in-house credit limit. Total exposure resulting from these four relationships was \$68.2 million. Additional disclosure concerning the Company's largest loan relationships is provided below.

A substantial portion of our loan portfolio is in the commercial real estate and residential real estate sectors. Those loans are secured by real estate in our primary market areas. A substantial portion of OREO is located in those same markets. Therefore, the ultimate collectability of a substantial portion of our loan portfolio and the recoverability of a substantial portion of the carrying amount of OREO are susceptible to changes to market conditions in our primary market area.

Fair Value Accounting Estimates

GAAP requires the use of fair values in determining the carrying values of certain assets and liabilities, as well as for specific disclosures. The most significant include impaired loans, OREO, and the net assets acquired in business combinations. Certain of these assets do not have a readily available market to determine fair value and require an estimate based on specific parameters. When market prices are unavailable, we determine fair values utilizing estimates, which are constantly changing, including interest rates, duration, prepayment speeds and other specific conditions. In most cases, these specific parameters require a significant amount of judgment by management. At December 31, 2013, the percentage of the Company's assets measured at fair value was 41%. See Note 20, Fair Value

of Financial Instruments, in the Notes to Consolidated Financial Statements herein for additional disclosures regarding the fair value of our assets and liabilities.

When a loan is considered impaired, a specific valuation allowance is allocated, if necessary, so that the loan is reported net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. In addition, foreclosed assets are carried at the net realizable value, following foreclosure. The Company's impaired loans and foreclosed property are concentrated in markets and areas where the determination of fair value through market research (recent sales and/or qualified appraisals) is difficult. Accordingly, the determination of fair value in the current environment is difficult and more subjective than it would be in traditionally stable real estate environments. Although management believes its processes for determining the value of these assets are appropriate and allow Ameris to arrive at a fair value, the processes require management judgment and assumptions and the value of such assets at the time they are revalued or divested may be different from management's determination of fair value.

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Business Combinations

Assets purchased and liabilities assumed in a business combination are recorded at their fair value. The fair value of a loan portfolio acquired in a business combination requires greater levels of management estimates and judgment than the remainder of purchased assets or assumed liabilities. On the date of acquisition, when the loans have evidence of credit deterioration since origination and it is probable at the date of acquisition that the Company will not collect all contractually required principal and interest payments, the difference between contractually required payments at acquisition and the cash flows expected to be collected at acquisition is referred to as the non-accretable difference. The Company must estimate expected cash flows at each reporting date. Subsequent decreases to the expected cash flows will generally result in a provision for loan losses. Subsequent increases in cash flows result in a reversal of the provision for loan losses to the extent of prior charges and adjusted accretable yield which will have a positive impact on interest income. In addition, purchased loans without evidence of credit deterioration are also handled under this method.

Income Taxes

GAAP requires the asset and liability approach for financial accounting and reporting for deferred income taxes. We use the asset and liability method of accounting for deferred income taxes and provide deferred income taxes for all significant income tax temporary differences. See Note 14, **Income Taxes**, in the Notes to Consolidated Financial Statements for additional details.

As part of the process of preparing our consolidated financial statements we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our actual current tax exposure together with assessing temporary differences resulting from differing treatment of items, such as gains on FDIC-assisted transactions and the provision for loan losses, for tax and financial reporting purposes. These differences result in deferred tax assets and liabilities that are included in our consolidated balance sheet.

We must also assess the likelihood that our deferred tax assets will be recovered from future taxable income, and to the extent we believe that recovery is not likely, we must establish a valuation allowance. Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. To the extent we establish a valuation allowance or adjust this allowance in a period, we must include an expense within the tax provisions in the statement of income.

We have recorded on our consolidated balance sheet net deferred tax assets of \$16.5 million as of December 31, 2013. Purchase accounting adjustments related to the Prosperity acquisition, totaling \$18.9 million, and allowances for loan losses associated with loans where no loss has yet been recorded for tax purposes, totaling \$7.8 million, represent the Company's largest deferred tax assets. Deferred gains on FDIC-assisted transactions represent the Company's largest deferred tax liability, totaling \$12.2 million.

Long-Lived Assets, Including Intangibles

During 2013, the Bank recorded new goodwill totaling \$34.1 million related to the acquisition of Prosperity. During 2010, the Bank recorded new goodwill totaling \$956,000 related to the acquisition of TBC. No goodwill was expensed or amortized during 2013 or 2012 in accordance with GAAP. At December 31, 2013, the Company's balance of intangible assets totaled \$6.0 million and is being amortized over its previously determined useful life. During 2013, the Bank recorded new core deposit intangibles totaling \$4.4 million in the acquisition of Prosperity and during 2012, the Bank recorded new core deposit intangibles totaling \$1.1 million in the acquisition of CBG.

NET INCOME/(LOSS) AND EARNINGS PER SHARE

The Company's net income available to common shareholders during 2013 was approximately \$18.3 million, or \$0.75 per diluted share, compared to \$10.9 million, or \$0.46 per diluted share, in 2012, and \$17.9 million, or \$0.76 per diluted share, in 2011.

For the fourth quarter of 2013, the Company recorded net income available to common shareholders of approximately \$966,000, or \$0.04 per diluted share, compared to \$3.6 million, or \$0.15 per diluted share, for the quarter ended December 31, 2012, and \$322,000, or \$0.01 per diluted share, for the quarter ended December 31, 2011.

Table of Contents**EARNING ASSETS AND LIABILITIES**

Average earning assets were approximately \$2.47 billion in 2013, compared to approximately \$2.50 billion in 2012. The earning asset and interest-bearing liability mix is regularly monitored to maximize the net interest margin and, therefore, increase return on assets and shareholders' equity.

The following statistical information should be read in conjunction with the remainder of Management's Discussion and Analysis of Financial Condition and Results of Operation and the Consolidated Financial Statements and related notes included elsewhere in this Annual Report and in the documents incorporated herein by reference.

The following tables set forth the amount of our interest income or interest expense for each category of interest-earning assets and interest-bearing liabilities and the average interest rate for total interest-earning assets and total interest-bearing liabilities, net interest spread and net interest margin on average interest-earning assets. Federally tax-exempt income is presented on a taxable-equivalent basis assuming a 35% federal tax rate.

	Year Ended December 31,								
	2013			2012			2011		
	Average Balance	Interest Income/Expense	Average Yield/Rate Paid	Average Balance	Interest Income/Expense	Average Yield/Rate Paid	Average Balance	Interest Income/Expense	Average Yield/Rate Paid
(Dollars in Thousands)									
ASSETS									
Interest-earning assets:									
Loans	\$ 2,041,346	\$ 118,045	5.78%	\$ 1,975,863	\$ 119,420	6.04%	\$ 1,919,276	\$ 129,044	6.72%
Investment securities	332,413	9,041	2.72	369,734	10,241	2.77	338,736	12,277	3.62
Short-term assets	98,945	278	0.28	155,501	444	0.29	243,615	655	0.27
Total interest-earning assets	2,472,704	127,364	5.15	2,501,098	130,105	5.20	2,501,627	141,976	5.68
Noninterest-earning assets									
	375,825			470,862			464,172		
Total assets	\$ 2,848,529			\$ 2,971,960			\$ 2,965,799		

LIABILITIES AND STOCKHOLDERS' EQUITY

Interest-bearing liabilities:

Savings and interest-bearing demand deposits									
	\$ 1,327,205	\$ 3,521	0.27%	\$ 1,320,188	\$ 4,556	0.35%	\$ 1,233,346	\$ 9,310	0.75%
Time deposits	671,083	4,878	0.73	830,541	8,771	1.06	1,013,817	16,196	1.60
Other borrowings	28,935	307	1.06	26,563	155	0.58	22,275	168	0.75

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FHLB advances	2,400	63	2.63	3,635	110	3.03	18,008	460	2.55
Subordinated deferrable interest debentures	43,276	1,368	3.16	42,269	1,482	3.51	42,269	1,413	3.34
Total interest-bearing liabilities	2,072,899	10,137	0.49	2,223,196	15,074	0.68	2,329,715	27,547	1.18
Demand deposits	489,613			447,111			344,021		
Other liabilities	8,844			8,253			9,540		
Stockholders equity	277,173			293,400			282,523		
Total liabilities and stockholders equity	\$ 2,848,529			\$ 2,971,960			\$ 2,965,799		
Interest rate spread			4.66%			4.52%			4.50%
Net interest income		\$ 117,227			\$ 115,031			\$ 114,429	
Net interest margin			4.74%			4.60%			4.57%

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Net interest income represents the amount by which interest income on interest-earning assets exceeds interest expense incurred on interest-bearing liabilities. Net interest income is the largest component of our income and is affected by the interest rate environment and the volume and composition of interest-earning assets and interest-bearing liabilities. Our interest-earning assets include loans, investment securities, interest-bearing deposits in banks and federal funds sold. Our interest-bearing liabilities include deposits, other short-term borrowings, FHLB advances and subordinated debentures.

2013 compared to 2012. For the year ended December 31, 2013, interest income was \$126.3 million, a decrease of \$3.2 million, or 2.4%, compared to the same period in 2012. Average earning assets decreased \$28.4 million, or 1.14%, to \$2.47 billion for the year ended December 31, 2013, compared to \$2.50 billion as of December 31, 2012. Yield on average earning assets on a taxable equivalent basis decreased during 2013 to 5.15%, compared to 5.20% for the year ended December 31, 2012. However, lower yields on most earning assets have been offset by lower funding costs.

Interest expense on deposits and other borrowings for the year ended December 31, 2013 was \$10.1 million, compared to \$15.1 million for the year ended December 31, 2012. The Company's funding mix continued to improve during 2013, leading to significant savings in cost of funds. During 2013, average noninterest-bearing accounts amounted to \$489.6 million and comprised 19.7% of average total deposits, compared to \$447.1 million, or 17.2% of average total deposits, during 2012. Average balances of time deposits amounted to \$671.1 million and comprised 27.0% of average total deposits during 2013, compared to \$830.5 million, or 32.0% of average total deposits, during 2012. This shift of balances from higher cost time deposits into noninterest-bearing accounts helped reduce the cost of average interest-bearing liabilities from 0.68% in 2012 to 0.49% in 2013.

On a taxable-equivalent basis, net interest income for 2013 was \$117.2 million compared to \$115.0 million in 2012, an increase of \$2.2 million, or 1.91%. The Company's net interest margin, on a tax equivalent basis, increased to 4.74% for the year ended December 31, 2013, compared to 4.60% for the year ended December 31, 2012.

2012 compared to 2011. For the year ended December 31, 2012, interest income was \$129.5 million, a decrease of \$11.6 million, or 8.2%, compared to the same period in 2011. Average earning assets of \$2.50 billion for the year ended December 31, 2012 were relatively unchanged from December 31, 2011. Yield on average earning assets on a taxable equivalent basis decreased during 2012 to 5.20%, compared to 5.68% for the year ended December 31, 2011. However, lower yields on most earning assets have been offset by lower funding costs.

Interest expense on deposits and other borrowings for the year ended December 31, 2012 was \$15.1 million, compared to \$27.5 million for the year ended December 31, 2011. The Company's funding mix continued to improve during 2012, leading to significant savings in cost of funds. During 2012, average noninterest-bearing accounts amounted to \$447.1 million and comprised 17.2% of average total deposits, compared to \$344.0 million, or 13.3% of average total deposits, during 2011. Average balances of time deposits amounted to \$830.5 million and comprised 32.0% of average total deposits during 2012, compared to \$1.01 billion, or 39.1% of average total deposits, during 2011. This shift of balances from higher cost time deposits into noninterest-bearing accounts helped reduce the cost of average interest-bearing liabilities from 1.18% in 2011 to 0.68% in 2012.

On a taxable-equivalent basis, net interest income for 2012 was \$115.0 million compared to \$114.4 million in 2011, an increase of \$596,000, or 0.5%. The Company's net interest margin, on a tax equivalent basis, increased to 4.60% for

the year ended December 31, 2012, compared to 4.57% for the year ended December 31, 2011.

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The summary of changes in interest income and interest expense on a fully taxable equivalent basis resulting from changes in volume and changes in rates for each category of earning assets and interest-bearing liabilities for the years ended December 31, 2013 and 2012 are shown in the following table:

	2013 vs. 2012			2012 vs. 2011		
	Increase (Decrease)	Changes Due To Rate	Changes Due To Volume	Increase (Decrease)	Changes Due to Rate	Changes Due to Volume
(Dollars in Thousands)						
Increase (decrease) in:						
Income from earning assets:						
Interest and fees on loans	\$ (1,375)	\$ (5,333)	\$ 3,958	\$ (9,624)	\$ (13,429)	\$ 3,805
Interest on securities:	(1,200)	(166)	(1,034)	(2,036)	(3,159)	1,123
Short-term assets	(166)	(5)	(161)	(211)	26	(237)
Total interest income	(2,741)	(5,504)	2,763	(11,871)	(16,562)	4,691
Expense from interest-bearing liabilities:						
Interest on savings and interest-bearing demand deposits						
	(1,035)	(1,059)	24	(4,754)	(5,410)	656
Interest on time deposits	(3,893)	(2,209)	(1,684)	(7,425)	(4,497)	(2,928)
Interest on other borrowings	152	138	14	(13)	(45)	32
Interest on FHLB advances	(47)	(10)	(37)	(350)	17	(367)
Interest on trust preferred securities	(114)	(149)	35	69	69	-
Total interest expense	(4,937)	(3,289)	(1,648)	(12,473)	(9,866)	(2,607)
Net interest income	\$ 2,196	\$ (2,215)	\$ 4,411	\$ 602	\$ (6,696)	\$ 7,298

Provision for Loan Losses

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. As these factors change, the level of loan loss provision may change.

The Company's provision for loan losses during 2013 amounted to \$11.5 million, compared to \$31.1 million for 2012 and \$32.7 million in 2011. Net charge-offs in 2013 were 0.69% of average loans, excluding the loans covered in the FDIC-loss sharing agreements, compared to 2.76% in 2012 and 2.23% in 2011.

At December 31, 2013, non-performing assets, excluding assets covered in the FDIC-loss sharing agreements, amounted to \$73.5 million, or 2.00% of total assets, compared to 2.61% at December 31, 2012. Legacy non-performing assets totaled \$62.6 million and acquired, non-covered non-performing assets totaled \$10.9 million at December 31, 2013. Legacy other real estate was approximately \$33.4 million as of December 31, 2013, reflecting a 16.3% decrease from the \$39.9 million reported at December 31, 2012. Purchased, non-covered other real estate was

\$4.3 million at December 31, 2013. The Company's allowance for loan losses at December 31, 2013 was \$22.4 million, or 1.38% of loans, excluding purchased non-covered and covered loans, compared to \$23.6 million, or 1.63%, and \$35.2 million, or 2.64%, at December 31, 2012 and 2011, respectively. During the first quarter of 2012, the Company reduced nonperforming loans by approximately \$16.1 million, OREO by \$13.3 million and classified loans by \$1.8 million through a bulk sale of nonperforming assets.

Table of Contents**Noninterest Income**

Following is a comparison of noninterest income for 2013, 2012 and 2011.

	Years Ended December 31,		
	2013	2012	2011
	(Dollars in Thousands)		
Service charges on deposit accounts	\$ 19,545	\$ 19,576	\$ 18,081
Mortgage banking activities	19,128	12,989	2,971
Other service charges, commissions and fees	2,151	1,431	1,247
Gain on sales of securities	171	322	238
Gain on acquisitions	-	20,037	26,867
Other income	5,554	3,519	3,403
	\$ 46,549	\$ 57,874	\$ 52,807

2013 compared to 2012. Total noninterest income in 2013 was \$46.5 million, compared to \$57.9 million in 2012, a decrease of \$11.3 million. Excluding the gain on acquisition recorded in 2012, total noninterest income increased \$8.7 million. The majority of this increase relates to a \$6.1 million increase in mortgage banking activity, a \$2.0 million increase in other income, and a \$720,000 increase in other service charges.

Other income increased 57.8%, from \$3.5 million in 2012 to \$5.6 million in 2013. This increase is due to increased earnings on bank owned life insurance and a \$1.2 million increase in the gain on the sale of SBA loans in 2013.

Income from mortgage banking activities continued to increase during 2013, from \$13.0 million in 2012 to \$19.1 million in 2013, as the Company continued to grow the line of business through the addition of new producers and new services.

Service charges on deposit accounts remained stable during 2013, while other service charges, commissions and fees increased 50.3% in 2013, from \$1.4 million in 2012, to \$2.2 million in 2013. Service charges on deposit accounts represent the largest component of recurring noninterest income. In 2013, excluding gains on securities and on acquisitions, service charges were 42% of total noninterest income, compared to 52% in 2012.

2012 compared to 2011. Total noninterest income in 2012 was \$57.9 million, compared to \$52.8 million in 2011, an increase of \$5.1 million. The majority of the increase in noninterest income relates to a \$10.0 million increase in mortgage banking activity and a \$1.5 million increase in service charges on deposit accounts, partially offset by the \$6.8 million decrease in gains realized on the FDIC-assisted transactions. In determining the gain from these transactions, the Company evaluated the fair value of the assets acquired and the liabilities assumed. Because the Company's bid to acquire the assets included discounts totaling \$33.9 million in 2012 and because the anticipated losses were covered by loss-sharing agreements with the FDIC, Ameris determined that the fair value of the assets acquired exceeded the liabilities assumed.

Income from mortgage banking activities increased substantially during 2012, from \$3.0 million in 2011 to \$13.0 million in 2012. The Company's efforts to grow the line of business through the addition of new producers and new services were successful. The Company anticipates continued growth in mortgage banking revenues due to recent recruiting efforts and further implementation of new services within the mortgage banking industry.

Service charges on deposit accounts increased 8.3% in 2012, from \$18.1 million in 2011, to \$19.6 million in 2012. This growth is the result of deposit growth from FDIC-assisted acquisitions, as well as strong internal growth in transaction accounts.

Table of Contents**Noninterest Expense**

Following is a comparison of noninterest expense for 2013, 2012 and 2011.

	Years Ended December 31,		
	2013	2012	2011
	(Dollars in Thousands)		
Salaries and employee benefits	\$ 56,670	\$ 53,122	\$ 40,210
Equipment and occupancy	12,286	13,208	11,390
Amortization of intangible assets	1,414	1,360	1,011
Data processing and communication costs	11,539	10,683	10,315
Advertising and public relations	1,620	1,622	722
Postage & delivery	1,017	1,061	1,528
Printing & supplies	962	1,460	1,312
Legal fees	615	721	311
Other professional fees	1,526	1,925	1,493
Directors fees	722	475	19
FDIC assessments	2,323	1,489	4,537
Acquisition expenses	4,389	-	-
OREO and problem loan expenses	15,486	22,416	22,448
Other expense	11,376	9,928	6,657
	\$ 121,945	\$ 119,470	\$ 101,953

2013 compared to 2012. Operating expenses increased from \$119.5 million in 2012 to \$121.9 million in 2013. Salaries and employee benefits increased 6.7% from \$53.1 million in 2012 to \$56.7 million in 2013. Equipment and occupancy expense decreased 7.0% from \$13.2 million in 2012 to \$12.3 million in 2013. Data processing and telecommunications expense increased during 2013 to \$11.5 million, an increase of 8.0% compared to the \$10.7 million reported in 2012. Postage and delivery, printing and supplies, legal fees and other professional fees all decreased during 2013 due to the efforts to reduce core operating expenses.

Acquisition expenses of \$4.4 million in 2013 relate to the Prosperity acquisition. Problem loan and OREO expenses decreased \$6.9 million in 2013, as the level of OREO and problem loans declined and general economic conditions improved. Excluding acquisition and credit related expenses, total operating expenses were \$102.1 million for the year ended December 31, 2013, compared to \$97.1 million for 2012. Expressed as a percentage of average assets, total operating expense net of credit related and non-recurring acquisition costs in 2013 was 3.47%, a slight increase from 3.25% reported in 2012.

2012 compared to 2011. Operating expenses increased from \$102.0 million in 2011 to \$119.5 million in 2012. Expenses related to the Company's growing mortgage banking business were \$7.3 million during 2012 and account for 41.4% of the total increase in operating expenses. These expenses are included in the categories listed in the table above, such as salaries and employee benefits, equipment and occupancy and data processing and communication costs. Salaries and employee benefits increased 32.1% from \$40.2 million in 2011 to \$53.1 million in 2012. During 2012, the Company reinstated various employee and board benefits that had been suspended in prior years.

Equipment and occupancy expense increased 16.0% from \$11.4 million in 2011 to \$13.2 million in 2012. This increase is due to the growth in personnel and branch locations as a result of recent FDIC-assisted transactions, as well as the growth in the mortgage banking business. Advertising and public relations increased \$900,000 during 2012, as the Company incurred these costs to support various revenue and growth strategies throughout the year. The \$3.0 million decrease in FDIC assessments is due to a fourth quarter true-up of the prepaid FDIC insurance premiums.

During the fourth quarter of 2012, the Company announced a major restructuring effort aimed at reducing core operating expenses in future periods. These plans included lower headcount in both the retail bank and corporate functions and the closing of thirteen branches in 2013. The Company recorded \$2.1 million in restructuring charges in the fourth quarter of 2012 related to these activities.

Table of Contents**Income Taxes**

Federal income tax expense is influenced by the amount of taxable income, the amount of tax-exempt income and the amount of non-deductible expenses. For the year ended December 31, 2013, the Company recorded income tax expense of approximately \$9.3 million, compared to \$7.3 million recorded in 2012 and \$10.6 million recorded in 2011. The Company's effective tax rate was 32%, 34% and 33% for the years ended December 31, 2013, 2012 and 2011, respectively.

BALANCE SHEET COMPARISON**LOANS**

Management believes that our loan portfolio is adequately diversified. The loan portfolio contains no foreign loans or significant concentrations in any one industry. As of December 31, 2013, approximately 80.7% of our legacy loan portfolio was secured by real estate. The amount of loans outstanding, excluding purchased non-covered and covered loans, at the indicated dates is shown in the following table according to type of loans.

	December 31,				
	2013	2012	2011	2010	2009
	(Dollars in Thousands)				
Commercial, financial & agricultural	\$ 244,373	\$ 174,217	\$ 142,960	\$ 142,312	\$ 169,280
Real estate construction & development	146,371	114,199	130,270	162,594	234,403
Real estate commercial & farmland	808,323	732,322	672,765	683,974	749,029
Real estate residential	351,886	346,480	330,727	344,830	380,080
Consumer installment loans	34,249	40,178	37,296	34,293	40,984
Other	33,252	43,239	18,068	6,754	10,583
	1,618,454	1,450,635	1,332,086	1,374,757	1,584,359
Less allowance for loan losses	22,377	23,593	35,156	34,576	35,762
Loans, net	\$ 1,596,077	\$ 1,427,042	\$ 1,296,930	\$ 1,340,181	\$ 1,548,597

The following table provides additional disclosure on the various loan types comprising the subgroup Real estate commercial & farmland at December 31, 2013 (in thousands):

	Outstanding Balance	Average Maturity (Months)	Average Rate	% non-accrual
Owner-Occupied	\$ 312,175	43	5.56%	1.25%
Farmland	132,566	29	5.74%	0.57%
Apartments	58,646	36	5.19%	2.15%
Hotels / Motels	36,305	45	5.16%	0.88%
Auto Dealers	4,895	30	4.67%	-

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Offices / Office Buildings	79,995	42	5.37%	0.14%
Strip Centers (Anchored & Non-Anchored)	52,023	41	4.81%	-
Convenience Stores	5,380	25	5.38%	-
Retail Properties	73,198	41	5.55%	1.14%
Warehouse Properties	43,886	41	5.52%	2.21%
All Other	9,254	28	6.19%	4.68%
	\$ 808,323	37	5.59%	1.06%

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The amount of purchased, non-covered loans outstanding, at the indicated dates is shown in the following table according to type of loans.

	2013	December 31,			
		2012	2011	2010	2009
		(Dollars in Thousands)			
Commercial, financial & agricultural	\$ 32,141	\$ -	\$ -	\$ -	\$ -
Real estate construction & development	31,176	-	-	-	-
Real estate commercial & farmland	179,898	-	-	-	-
Real estate residential	200,851	-	-	-	-
Consumer installment loans	4,687	-	-	-	-
Other	-	-	-	-	-
	448,753	-	-	-	-
Less allowance for loan losses	-	-	-	-	-
Loans, net	\$ 448,753	\$ -	\$ -	\$ -	\$ -

Assets Covered by Loss-Sharing Agreements with the FDIC - Loans that were acquired in FDIC-assisted transactions that are covered by the loss-sharing agreements with the FDIC (covered loans) totaling \$390.2 million and \$507.7 million at December 31, 2013 and 2012, respectively, are not included in the preceding tables. OREO that is covered by the loss-sharing agreements with the FDIC totaled \$45.9 million and \$88.3 million at December 31, 2013 and 2012, respectively. The loss-sharing agreements are subject to the servicing procedures as specified in the agreements with the FDIC. The expected reimbursements under the loss-sharing agreements were recorded as an indemnification asset at their estimated fair value at the respective acquisition dates. The FDIC loss-share receivable reported at December 31, 2013 and 2012 was \$65.4 million and \$159.7 million, respectively.

The Company recorded the loans at their fair values, taking into consideration certain credit quality, risk and liquidity marks. The Company is confident in its estimation of credit risk and its adjustments to the carrying balances of the acquired loans. If the Company determines that a loan or group of loans has deteriorated from its initial assessment of fair value, a reserve for loan losses will be established to account for that difference. For the years ended December 31, 2013, 2012 and 2011, the Company recorded approximately \$1.5 million, \$2.6 million and \$2.4 million, respectively, of provision for loan losses to account for decreases in estimated cash flows on loans acquired in FDIC-assisted transactions. If the Company determines that a loan or group of loans has improved from its initial assessment of fair value, the increase in cash flows over those expected at the acquisition date are recognized as interest income prospectively. Covered loans are shown below according to loan type as of the end of the years shown (in thousands):

	2013	2012
Commercial, financial & agricultural	\$ 26,550	\$ 32,606
Real estate construction & development	43,179	70,184
Real estate commercial & farmland	224,451	278,506
Real estate residential	95,173	125,056

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Consumer installment loans	884	1,360
Total Covered Loans	\$ 390,237	\$ 507,712

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The Company seeks to diversify its loan portfolio across its geographic footprint and in various loan types. Also, the Company's stated in-house legal lending limit for a single loan is \$10.0 million which would normally prevent a concentration with a single loan project. Certain lending relationships may contain more than one loan and consequently, exceed the in-house lending limit. The Company regularly monitors its largest loan relationships to avoid a concentration with a single borrower. The largest 25 loan relationships are summarized below by type and compared to the Bank's loan portfolio taken as a whole (in thousands):

	Balance	Average Rate	Average Maturity (months)	% unsecured	% in non-accrual status
Commercial, financial & agricultural	\$ 46,412	3.63%	62	36.6%	-
Real estate construction & development	16,701	4.14%	40	-	-
Real estate commercial & farmland	111,118	4.49%	44	-	-
Real estate residential	6,418	5.48%	63	-	-
Total	\$ 180,649	4.30%	49	9.4%	-
Ameris Bank Loan Portfolio	\$ 1,618,454	6.42%	21	1.1%	1.80%

Total legacy loans, excluding purchased non-covered and covered loans, as of December 31, 2013 are shown in the following table according to their contractual maturity:

	Contractual Maturity in:			Total
	One Year or Less	Over One Year through Five Years	Over Five Years	
	(Dollars in Thousands)			
Commercial, financial & agricultural	\$ 84,515	\$ 107,771	\$ 52,087	\$ 244,373
Real estate construction & development	59,079	68,011	19,281	146,371
Real estate commercial & farmland	159,246	430,208	218,869	808,323
Real estate residential	80,785	153,847	117,254	351,886
Consumer installment loans	8,697	24,542	1,010	34,249
Other	33,252	-	-	33,252
	\$ 425,574	\$ 784,379	\$ 408,501	\$ 1,618,454

The following table summarizes loans at December 31, 2013, with maturity dates after one year which (i) have predetermined interest rates and (ii) have floating or adjustable interest rates.

	(Dollars in Thousands)
Predetermined interest rates	\$ 939,084
Floating or adjustable interest rates	253,797
	\$ 1,192,881

Covered loans as of December 31, 2013, are shown below according to their contractual maturity:

	Contractual Maturity in:			Total
	One Year or Less	Over One Year through Five Years	Over Five Years	
	(Dollars in Thousands)			
Covered loans	\$ 200,935	\$ 112,656	\$ 76,646	\$ 390,237

Table of Contents**ALLOWANCE AND PROVISION FOR LOAN LOSSES**

The allowance for loan losses represents a reserve for inherent losses in the loan portfolio. The adequacy of the allowance for loan losses is evaluated periodically based on a review of all significant loans, with a particular emphasis on non-accruing, past due and other loans that management believes might be potentially impaired or warrant additional attention. We segregate our loan portfolio by type of loan and utilize this segregation in evaluating exposure to risks within the portfolio. In addition, based on internal reviews and external reviews performed by independent loan reviewers and regulatory authorities, we further segregate our loan portfolio by loan grades based on an assessment of risk for a particular loan or group of loans. Certain reviewed loans are assigned specific allowances when a review of relevant data determines that a general allocation is not sufficient or when the review affords management the opportunity to fine tune the amount of exposure in a given credit. In establishing allowances, management considers historical loan loss experience but adjusts this data with a significant emphasis on data such as current loan quality trends, current economic conditions and other factors in the markets where the Bank operates. Factors considered include among others, current valuations of real estate in our markets, unemployment rates, the effect of weather conditions on agricultural related entities and other significant local economic events, such as major plant closings.

We have developed a methodology for determining the adequacy of the allowance for loan losses which is monitored by the Company's Chief Credit Officer. Procedures provide for the assignment of a risk rating for every loan included in our total loan portfolio, with the exception of credit card receivables and overdraft protection loans which are treated as pools for risk rating purposes. The risk rating schedule provides nine ratings of which five ratings are classified as pass ratings and four ratings are classified as criticized ratings. Each risk rating is assigned a percent factor to be applied to the loan balance to determine the adequate amount of allowance. Many of the larger loans require an annual review by an independent loan officer and are often reviewed by independent third parties. As a result of these loan reviews, certain loans may be assigned specific allowance allocations. Other loans that surface as problem loans may also be assigned specific allowance allocations. Past due loans are assigned risk ratings based on the number of days past due. The calculation of the allowance for loan losses, including underlying data and assumptions, is reviewed regularly by the Company's Chief Financial Officer as well as the Director of Internal Audit.

The following table sets forth the breakdown of the allowance for loan losses by loan category for the periods indicated. Management believes the allowance can be allocated only on an approximate basis. The allocation of the allowance to each category is not necessarily indicative of future losses and does not restrict the use of the allowance to absorb losses in any other category.

	2013		2012		At December 31, 2011		2010		2009	
	Amount	% of Loans to Total Loans	Amount	% of Loans to Total Loans	Amount	% of Loans to Total Loans	Amount	% of Loans to Total Loans	Amount	% of Loans to Total Loans
Commercial, financial, and agricultural	\$ 1,823	15%	\$ 2,439	12%	\$ 2,918	11%	\$ 2,779	10%	\$ 3,428	11%

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R/E Commercial & Farmland	8,393	50	9,157	50	14,226	50	14,971	50	11,296	67
R/E Construction & Development	5,538	9	5,343	8	9,438	10	7,705	12	13,098	6
Total Commercial	15,754	74	16,939	70	26,582	71	25,455	72	27,822	84
R/E Residential	6,034	22	5,898	24	8,128	25	8,664	25	7,391	12
Consumer Installment	589	4	756	6	446	4	457	3	549	4
Unallocated	-	-	-	-	-	-	-	-	-	-
	\$ 22,377	100%	\$ 23,593	100%	\$ 35,156	100%	\$ 34,576	100%	\$ 35,762	100%

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The following table presents an analysis of our loan loss experience, excluding purchased non-covered and covered loans, for the periods indicated:

	2013	2012	December 31, 2011	2010	2009
	(Dollars in Thousands)				
Average amount of non-covered loans outstanding	\$ 1,478,816	\$ 1,393,012	\$ 1,348,557	\$ 1,448,662	\$ 1,662,061
Balance of allowance for loan losses at beginning of period	\$ 23,593	\$ 35,156	\$ 34,576	\$ 35,762	\$ 39,652
Charge-offs:					
Commercial real estate, financial and agricultural	(7,350)	(31,382)	(25,475)	(41,442)	(35,231)
Residential real estate	(5,215)	(8,722)	(5,399)	(10,091)	(10,859)
Consumer Installment	(719)	(1,059)	(749)	(1,090)	(1,041)
Recoveries:					
Commercial real estate, financial and agricultural	935	679	1,593	2,097	742
Residential real estate	888	225	146	186	278
Consumer Installment	298	245	123	315	153
Net charge-offs	(11,163)	(40,014)	(29,761)	(50,025)	(45,958)
Additions to allowance charged to operating expenses	9,947	28,451	30,341	48,839	42,068
Balance of allowance for loan losses at end of period	\$ 22,377	\$ 23,593	\$ 35,156	\$ 34,576	\$ 35,762
Ratio of net loan charge-offs to average non-covered loans	0.75%	2.87%	2.21%	3.45%	2.77%

NONPERFORMING LOANS

A loan is placed on non-accrual status when, in management's judgment, the collection of the interest income appears doubtful. Interest receivable that has been accrued in prior years and is subsequently determined to have doubtful collectability is charged to the allowance for loan losses. Interest on loans that are classified as non-accrual is recognized when received. Past due loans are placed on non-accrual status when 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 loans accounted for on a non-accrual basis, excluding purchased non-covered and covered loans.

	December 31,				
	2013	2012	2011	2010	2009
	(Dollars in Thousands)				
Commercial, financial & agricultural	\$ 4,103	\$ 4,138	\$ 3,987	\$ 8,648	\$ 4,774
Real estate construction & development	3,971	9,281	15,020	7,887	15,787
Real estate commercial & farmland	8,566	11,962	35,385	55,170	67,172
Real estate residential	12,152	12,595	15,498	6,376	6,965
Consumer installment loans	411	909	933	1,208	1,433
Total	\$ 29,203	\$ 38,885	\$ 70,823	\$ 79,289	\$ 96,131
Loans contractually past due ninety days or more as to interest or principal payments and still accruing	-	-	-	-	-

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During 2008 and 2009, loans tied to the housing industry (Acquisition, Development and Construction loans) came under severe strain as housing prices fell sharply and sales activity slowed. Certain markets, where housing prices had risen sharply in recent years, suffered greater corrections than others. The Company's exposure to certain housing related loans primarily in northern Florida and coastal Georgia and South Carolina resulted in deteriorating credit quality. As the deterioration in the real estate market slowed and indications of recovery in these markets emerged during the second half of 2010, our levels of non-accrual loans have seen improvement.

The following table presents an analysis of purchased, non-covered loans accounted for on a non-accrual basis.

	December 31,				
	2013	2012	2011	2010	2009
	(Dollars in Thousands)				
Commercial, financial & agricultural	\$ 11	\$ -	\$ -	\$ -	\$ -
Real estate construction & development	325	-	-	-	-
Real estate commercial & farmland	1,653	-	-	-	-
Real estate residential	4,658	-	-	-	-
Consumer installment loans	12	-	-	-	-
Total	\$ 6,659	\$ -	\$ -	\$ -	\$ -

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

	December 31,				
	2013	2012	2011	2010	2009
	(Dollars in Thousands)				
Commercial, financial & agricultural	\$ 7,257	\$ 10,765	\$ 11,952	\$ 5,756	\$ 1,398
Real estate construction & development	14,781	20,027	30,977	25,810	9,155
Real estate commercial & farmland	33,495	55,946	75,458	29,519	8,109
Real estate residential	13,278	28,672	41,139	25,946	4,602
Consumer installment loans	341	302	473	1,122	2,527
Total	\$ 69,152	\$ 115,712	\$ 159,999	\$ 88,153	\$ 25,791

LIQUIDITY AND INTEREST RATE SENSITIVITY

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 our Company to meet those needs. We seek to meet liquidity requirements primarily through management of short-term investments (principally interest-bearing deposits in banks) and monthly amortizing loans. Another source of liquidity is the repayment of maturing single payment loans. In addition, our Company maintains relationships with correspondent banks, including the FHLB and the Federal Reserve Bank of Atlanta, which could provide funds on short notice, if needed.

A principal objective of our asset/liability management strategy is to minimize our exposure to changes in interest rates by matching the maturity and repricing horizons of interest-earning assets and interest-bearing liabilities. This strategy is overseen in part through the direction of our Asset and Liability Committee (the ALCO Committee) which establishes policies and monitors results to control interest rate sensitivity.

As part of our interest rate risk management policy, the ALCO Committee examines the extent to which its assets and liabilities are interest rate sensitive and monitors its interest rate-sensitivity gap. An asset or liability is considered to be interest rate sensitive if it will reprice or mature within the time period analyzed, usually one year or less. The interest rate-sensitivity gap is the difference between the interest-earning assets and interest-bearing liabilities scheduled to mature or reprice within such time period. A gap is considered positive when the amount of interest rate-sensitive assets exceeds the amount of interest rate-sensitive liabilities. A gap is considered negative when the amount of interest rate-sensitive liabilities exceeds the interest rate-sensitive assets. During a period of rising interest rates, a negative gap would tend to adversely affect net interest income, while a positive gap would tend to result in an increase in net interest income. During a period of falling interest rates, a negative gap would tend to result in an increase in net interest income, while a positive gap would tend to adversely affect net interest income. If our assets and liabilities were equally flexible and moved concurrently, the impact of any increase or decrease in interest rates on net interest income would be minimal.

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A simple interest rate gap analysis by itself may not be an accurate indicator of how net interest income will be affected by changes in interest rates. Accordingly, the ALCO Committee also evaluates how the repayment of particular assets and liabilities is impacted by changes in interest rates. Income associated with interest-earning assets and costs associated with interest-bearing liabilities may not be affected uniformly by changes in interest rates. In addition, the magnitude and duration of changes in interest rates may have a significant impact on net interest income. For example, although certain assets and liabilities may have similar maturities or periods of repricing, they may not react identically to changes in market interest rates. Interest rates on certain types of assets and liabilities fluctuate in advance of changes in general market interest rates, while interest rates on other types may lag behind changes in general market rates. In addition, certain assets, such as adjustable rate mortgage loans, have features (generally referred to as interest rate caps) which limit changes in interest rates on a short-term basis and over the life of the asset. In the event of a change in interest rates, prepayment and early withdrawal levels also could deviate significantly from those assumed in calculating the interest rate gap. The ability of many borrowers to service their debts also may decrease in the event of an interest rate increase.

We manage the mix of asset and liability maturities in an effort to control the effects of changes in the general level of interest rates on net interest income. Except for its effect on the general level of interest rates, inflation does not have a material impact on the balance sheet due to the rate variability and short-term maturities of its earning assets. In particular, approximately 35.0% of earning assets mature or reprice within one year or less. Mortgage loans, generally our loan with the longest maturity, are usually made with five to fifteen year maturities, but with either a variable interest rate or a fixed rate with an adjustment between origination date and maturity date.

The following table sets forth the distribution of the repricing of our interest-earning assets and interest-bearing liabilities as of December 31, 2013, the interest rate sensitivity gap (i.e., interest rate sensitive assets minus interest rate sensitive liabilities), the cumulative interest rate sensitivity gap, the interest rate sensitivity gap ratio (i.e., interest rate sensitive assets divided by interest rate sensitive liabilities) and the cumulative interest rate sensitivity gap ratio. The table also sets forth the time periods in which earning assets and liabilities will mature or may reprice in accordance with their contractual terms. However, the table does not necessarily indicate the impact of general interest rate movements on the net interest margin since the repricing of various categories of assets and liabilities is subject to competitive pressures and the needs of our customers. In addition, various assets and liabilities indicated as repricing within the same period may in fact reprice at different times within such period and at different rates.

	At December 31, 2013					Total		
	Zero to Three Months	Three Months to One Year	One to Five Years	Over Five Years	Maturing or Repricing Within			
(Dollars in Thousands)								
Interest-earning assets:								
Short-term assets	\$ 204,984	\$ -	\$ -	\$ -	\$ -	\$ 204,984		
Investment securities	-	2,740	39,828	443,667	-	486,235		
Loans	235,346	258,263	878,214	313,909	-	1,685,732		
Purchased, non-covered loans	136,422	7,200	58,641	246,490	-	448,753		
Covered loans	205,685	74,798	87,260	22,494	-	390,237		
	782,437	343,001	1,063,943	1,026,560	-	3,215,941		

Interest-bearing liabilities:

Interest-bearing demand deposits	1,441,059	-	-	-	1,441,059
Savings	138,805	-	-	-	138,805
Time deposits	197,831	413,982	138,700	323	750,836
Short-term borrowings	248,516	-	29,572	-	278,088
Trust preferred securities	-	-	-	55,466	55,466
	2,026,211	413,982	168,272	55,789	2,664,254

Interest rate sensitivity gap	\$ (1,243,774)	\$ (70,981)	\$ 895,671	\$ 970,771	\$ 551,687
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Cumulative interest rate sensitivity gap	\$ (1,243,774)	\$ (1,314,755)	\$ (419,084)	\$ 551,688
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Interest rate sensitivity gap ratio	0.39	0.83	6.32	18.40
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Cumulative interest rate sensitivity gap ratio	0.39	0.46	0.84	1.21
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Table of Contents**INVESTMENT PORTFOLIO**

Following is a summary of the carrying value of investment securities available for sale as of the end of each reported period:

	December 31,		
	2013	2012	2011
	(Dollars in Thousands)		
U.S. Government sponsored agencies	\$ 13,926	\$ 6,870	\$ 14,937
State, county and municipal securities	112,754	114,390	79,133
Corporate debt securities	10,325	10,328	11,401
Collateralized debt obligations	1,480	-	-
Mortgage-backed securities	347,750	215,321	234,496
	\$ 486,235	\$ 346,909	\$ 339,967

The amounts of securities available for sale in each category as of December 31, 2013 are shown in the following table according to contractual maturity classifications: (i) one year or less, (ii) after one year through five years, (iii) after five years through ten years and (iv) after ten years.

	U.S. Government Sponsored Agencies		State, County and Municipal		Corporate debt		Collateralized debt obligations		Mortgage-backed	
	Amount	Yield (1)	Amount	Yield (1)	Yield (1)	Yield (1)	Amount	Yield (1)	Amount	Yield (1)
	(Dollars in Thousands)									
One year or less	\$ -	-%	\$ 2,740	1.57%	\$ -	-%	\$ -	-%	\$ -	-%
After one year through five years	-	-	36,094	2.82	3,499	5.79	-	-	235	4.42
After five years through ten years	13,926	1.84	53,962	2.92	-	-	-	-	29,141	2.58
After ten years	-	-	19,958	3.42	6,826	6.60	1,480	11.76	318,374	2.75
	\$ 13,926	1.84%	\$ 112,754	2.94%	\$ 10,325	6.33%	\$ 1,480	11.76%	\$ 347,750	2.74%

(1)

Yields were computed using coupon interest, adding discount accretion or subtracting premium amortization, as appropriate, on a ratable basis over the life of each security. The weighted average yield for each maturity range was computed using the acquisition price of each security in that range.

- (2) Yields on securities of state and political subdivisions are stated on a taxable-equivalent basis, using a tax rate of 35%.

The investment portfolio consists of securities which are classified as available for sale and recorded at fair value with unrealized gains and losses excluded from earnings and reported in accumulated other comprehensive income, net of the related deferred tax effect.

The amortization of premiums and accretion of discounts are recognized in interest income using methods approximating the interest method over the life of the securities. Realized gains and losses, determined on the basis of the cost of specific securities sold, are included in earnings on the trade date. Declines in the fair value of securities below their cost that are deemed to be other-than-temporary are reflected in earnings as realized losses.

The Company's methodology for determining whether other-than-temporary impairment losses exist include management considering (i) the length of time and the extent to which the fair value has been less than cost, (ii) the financial condition and near-term prospects of the issuer and (iii) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Substantially all of the unrealized losses on debt securities are related to changes in interest rates and do not affect the expected cash flows of the issuer or underlying collateral. All unrealized losses are considered temporary because each security carries an acceptable investment grade, the Company has the intent and ability to hold such securities until maturity and it is more likely than not that the Company will not be required to sell these securities prior to recovery or maturity. The Company's investments in subordinated debt include investments in regional and super-regional banks on which the Company conducts regular analysis through review of financial information or credit ratings. Investments in preferred securities are also concentrated in the preferred obligations of regional and super-regional banks through non-pooled investment structures. The Company did not hold any investments in pooled trust preferred securities at December 31, 2013.

Table of Contents**DEPOSITS**

Average amount of various deposit classes and the average rates paid thereon are presented below:

	Year Ended December 31,			
	2013		2012	
	Amount	Rate	Amount	Rate
	(Dollars in Thousands)			
Noninterest-bearing demand	\$ 489,613	0.00%	\$ 447,111	0.00%
NOW	597,490	0.18	610,399	0.26
Money Market	625,085	0.37	613,296	0.46
Savings	104,630	0.11	96,493	0.14
Time	671,083	0.73	830,541	1.06
Total deposits	\$ 2,487,901	0.34%	\$ 2,597,840	0.51%

We have a large, stable base of time deposits with little or no dependence on what we consider volatile deposits. Volatile deposits, in management's opinion, are those deposit accounts that are overly rate sensitive and apt to move if our rate offerings are not at or near the top of the market. Generally speaking, these are brokered deposits or time deposits in amount greater than \$100,000.

The amounts of time certificates of deposit issued in amounts of \$100,000 or more as of December 31, 2013, are shown below by category, which is based on time remaining until maturity of (i) three months or less, (ii) over three through twelve months and (iii) greater than one year.

	(Dollars in Thousands)
Three months or less	\$ 82,345
Three months to one year	204,943
One year or greater	86,621
Total	\$ 373,909

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

In the ordinary course of business, our Bank has granted commitments to extend credit to approved customers. Generally, these commitments to extend credit have been granted on a temporary basis for seasonal or inventory requirements and have been approved by the Bank's local boards. Our Bank has also granted commitments to approved customers for financial standby letters of credit. These commitments are recorded in the financial statements when funds are disbursed or the financial instruments become payable. The Bank uses the same credit policies for these off-balance sheet commitments as it does for financial instruments that are recorded in the consolidated financial statements. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitment amounts expire without being drawn upon, the total

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commitment amounts do not necessarily represent future cash requirements.

The following is a summary of the commitments outstanding at December 31, 2013 and 2012:

	December 31,	
	2013	2012
	(Dollars in Thousands)	
Commitments to extend credit	\$ 257,195	\$ 180,733
Financial standby letters of credit	7,665	6,788
	\$ 264,860	\$ 187,521

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The following table summarizes short-term borrowings for the periods indicated:

	Years Ended December 31,					
	2013		2012		2011	
	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
Federal funds purchased and securities sold under agreement to repurchase	\$ 26,908	0.54%	\$ 26,563	0.58%	\$ 22,275	0.75%
	Total Balance		Total Balance		Total Balance	
Total maximum short-term borrowings outstanding at any month-end during the year	\$ 83,516		\$ 50,120		\$ 37,665	

The following table sets forth certain information about contractual cash obligations as of December 31, 2013.

	Payments Due After December 31, 2013				
	Total	1 Year	1-3	4-5	5
		Or Less	Years	Years	Years
Time certificates of deposit	\$ 750,836	\$ 611,813	\$ 115,667	\$ 23,333	\$ 23
Subordinated debentures	55,466	-	-	-	55,466
Total contractual cash obligations	\$ 806,302	\$ 611,813	\$ 115,667	\$ 23,333	\$ 55,489

Our operating leases represent short-term obligations, normally with maturities of less than three years. Many of the operating leases have thirty-day cancellation provisions. The total contractual obligations for operating leases do not require a material amount of our cash funds.

At December 31, 2013, we had immaterial amounts of binding commitments for capital expenditures.

CAPITAL ADEQUACY**Capital Purchase Program**

On November 21, 2008, the Company elected to participate in the CPP established by the EESA. Accordingly, on such date, the Company issued and sold to the Treasury, for an aggregate cash purchase price of \$52 million, (i) 52,000 Preferred Shares having a liquidation preference of \$1,000 per share, and (ii) a ten-year Warrant to purchase up to 679,443 shares of Common Stock, at an exercise price of \$11.48 per share. The issuance and sale of these securities was a private placement exempt from registration pursuant to Section 4(2) of the Securities Act. On June 14, 2012, the Preferred Shares were sold by the Treasury through a registered public offering. On August 22, 2012, the Company repurchased the Warrant from the Treasury for \$2.67 million, and in December 2012, the Company

repurchased 24,000 of the outstanding Preferred Shares. The Company intends to redeem the remaining 28,000 outstanding Preferred Shares on March 24, 2014.

Cumulative dividends on the Preferred Shares that remain outstanding will accrue on the liquidation preference at a rate of 5% per annum for the first five years and at a rate of 9% per annum thereafter, but such dividends will be paid only if, as and when declared by the Company's Board of Directors. The Preferred Shares have no maturity date and rank senior to the Common Stock (and pari passu with the Company's other authorized preferred stock, of which no shares are currently designated or outstanding) with respect to the payment of dividends and distributions and amounts payable upon liquidation, dissolution and winding up of the Company. Subject to the approval of the Federal Reserve, the Preferred Shares are redeemable at the option of the Company at 100% of their liquidation preference.

Table of Contents**Capital Regulations**

The capital resources of the Company are monitored on a periodic basis by state and federal regulatory authorities. During 2013, the Company's capital increased \$37.7 million, primarily due to the proceeds of issuance of Common Stock of \$24.6 million related to the Prosperity acquisition and net income available to common shareholders of \$18.3 million, partially offset by other comprehensive losses of \$6.9 million. Other capital related transactions, such as Common Stock issuances through the exercise of stock options and restricted stock account for only a small change in the capital of the Company. During 2012, the Company's capital decreased by \$14.8 million, primarily due to the repurchase of 24,000 Preferred Shares for \$24.0 million and the repurchase of the Warrant for \$2.7 million, as partially offset by net income available to common shareholders of \$10.9 million.

In accordance with risk capital guidelines issued by the Federal Reserve, we are required to maintain a minimum standard of total capital to risk-weighted assets of 8%. Additionally, all member banks must maintain core or Tier 1 capital of at least 4% of total assets (leverage ratio). Member banks operating at or near the 4% capital level are expected to have well-diversified risks, including no undue interest rate risk exposure, excellent control systems, good earnings, high asset quality and well managed on- and off-balance sheet activities, and, in general, be considered strong banking organizations with a composite 1 rating under the CAMEL rating system of banks. For all but the most highly rated banks meeting the above conditions, the minimum leverage ratio is to be 4% plus an additional 1% to 2%.

The following table summarizes the regulatory capital levels of Ameris at December 31, 2013:

	Actual		Required		Excess	
	Amount	Percent	Amount	Percent	Amount	Percent
(Dollars in Thousands)						
Leverage capital						
Consolidated	\$ 331,400	11.33%	\$ 117,025	4.00%	\$ 214,375	7.33%
Ameris Bank	347,010	11.93	116,372	4.00	230,638	7.93
Risk-based capital:						
Core capital						
Consolidated	331,400	14.35	92,392	4.00	239,008	10.35
Ameris Bank	347,010	15.06	92,175	4.00	254,835	11.06
Total capital						
Consolidated	353,777	15.32	184,784	8.00	168,993	7.32
Ameris Bank	369,387	16.03	184,349	8.00	185,038	8.03

INFLATION

The consolidated financial statements and related consolidated financial data presented herein have been prepared in accordance with GAAP and practices within the banking industry which require the measurement of financial position and operating results in terms of historical dollars without considering the changes in the relative purchasing power of money over time due to inflation. Unlike most industrial companies, virtually all the assets and liabilities of a financial institution are monetary in nature. As a result, interest rates have a more significant impact on a financial institution's performance than the effects of general levels of inflation.

Table of Contents**QUARTERLY FINANCIAL INFORMATION (Unaudited)**

The following table sets forth certain consolidated quarterly financial information of the Company. This information is derived from unaudited consolidated financial statements, which include, in the opinion of management, all normal recurring adjustments which management considers necessary for a fair presentation of the results for such periods.

	Quarters Ended December 31, 2013			
	4	3	2	1
	(Dollars in Thousands, Except Per Share Data)			
Selected Income Statement Data:				
Interest income	\$ 31,749	\$ 31,749	\$ 31,951	\$ 30,873
Interest expense	2,698	2,429	2,475	2,535
Net interest income	29,051	29,320	29,476	28,338
Provision for loan losses	1,478	2,920	4,165	2,923
Net interest income after provision for loan losses	27,573	26,400	25,311	25,415
Noninterest income	11,517	12,288	11,384	11,360
Noninterest expense	33,274	28,237	26,688	28,884
Acquisition related expenses	4,350	512	-	-
Income before income taxes	1,466	9,939	10,007	7,891
Income tax	88	3,262	3,329	2,606
Net income	1,378	6,677	6,678	5,285
Preferred stock dividends	412	443	442	441
Net income available to common stockholders	\$ 966	\$ 6,234	\$ 6,236	\$ 4,844
Per Share Data:				
Net income basic	0.04	0.26	0.26	0.20
Net income diluted	0.04	0.26	0.26	0.20
Common Dividends (Cash)				
Common Dividends (Stock)				

	Quarters Ended December 31, 2012			
	4	3	2	1
	(Dollars in Thousands, Except Per Share Data)			
Selected Income Statement Data:				
Interest income	\$ 32,539	\$ 31,651	\$ 33,007	\$ 32,282
Interest expense	2,980	3,413	4,126	4,555
Net interest income	29,559	28,238	28,881	27,727
Provision for loan losses	4,442	6,540	7,225	12,882

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Net interest income after provision for loan losses	25,117	21,698	21,656	14,845
Noninterest income	11,904	9,831	8,875	27,264
Noninterest expense	29,791	28,810	26,623	34,246
Income before income taxes	7,230	2,719	3,908	7,863
Income tax	2,558	816	1,413	2,498
Net income	4,672	1,903	2,495	5,365
Preferred stock dividends	1,118	827	817	815
Net income available to common stockholders	\$ 3,554	\$ 1,076	\$ 1,678	\$ 4,550

Per Share Data:

Net income basic	0.15	0.05	0.07	0.19
Net income diluted	0.15	0.04	0.07	0.19
Common Dividends (Cash)				
Common Dividends (Stock)				

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ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed only to U.S. Dollar interest rate changes and, accordingly, we manage exposure by considering the possible changes in the net interest margin. We do not have any trading instruments nor do we classify any portion of the investment portfolio as trading. Finally, we have no exposure to foreign currency exchange rate risk, commodity price risk or 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 our asset/liability management program, the timing of repriced assets and liabilities is referred to as gap management. Our policy is to maintain a gap ratio in the one-year time horizon of .80 to 1.20. As indicated by the gap analysis included in this Annual Report, we are somewhat liability sensitive in relation to changes in market interest rates. Being liability sensitive would result in net interest income decreasing in a rising rate environment and increasing in a declining rate environment.

We use 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 allow 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 points increase or 200 basis points decrease in market rates on net interest income and is monitored on a quarterly basis. Our most recent model projects net interest income would decrease slightly if rates rise 200 basis points gradually over the next year. A scenario involving a 200 basis points decrease is irrelevant at this time with current market rates being at or near zero since the last reduction of the federal funds target rate by the Federal Reserve on December 16, 2008.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets December 31, 2013 and 2012

Consolidated Statements of Income Years ended December 31, 2013, 2012 and 2011

Consolidated Statements of Comprehensive Income/(Loss) Years ended December 31, 2013, 2012 and 2011

Consolidated Statements of Changes in Stockholders' Equity Years ended December 31, 2013, 2012 and 2011

Consolidated Statements of Cash Flows Years ended December 31, 2013, 2012 and 2011

Notes to Consolidated Financial Statements

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

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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 Exchange Act as of the end of the period covered by this Annual 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 Annual Report, the Company's disclosure controls and procedures are effective.

Management's Report on Internal Control Over Financial Reporting

Management's Report on Internal Control Over Financial Reporting is set forth on page F-3 of this Annual Report.

Changes in Internal Control Over Financial Reporting

During the quarter ended December 31, 2013, there was no 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.

ITEM 9B. OTHER INFORMATION

Not applicable.

Table of Contents**PART III****ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The information set forth under the captions Proposal 1 Election of Directors, Board and Committee Matters, Executive Officers and Section 16(a) Beneficial Ownership Reporting Compliance in the Proxy Statement to be used in connection with the solicitation of proxies for the Company's 2014 Annual Meeting of Shareholders, to be filed with the SEC, is incorporated herein by reference.

Code of Ethics

Ameris has adopted a code of ethics that is applicable to all employees, including its Chief Executive Officer and all senior financial officers, including its Chief Financial Officer and principal accounting officer. Ameris shall provide to any person without charge, upon request, a copy of its code of ethics. Such requests should be directed to the Corporate Secretary of Ameris Bancorp at 310 First St., SE, Moultrie, Georgia 31768.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth under the caption Executive Compensation in the Proxy Statement to be used in connection with the solicitation of proxies for the Company's 2014 Annual Meeting of Shareholders, to be filed with the SEC, is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information set forth under the caption Security Ownership of Certain Beneficial Owners and Management in the Proxy Statement to be used in connection with the solicitation of proxies for the Company's 2014 Annual Meeting of Shareholders, to be filed with the SEC, is incorporated herein by reference.

Equity Compensation Plans

The following table sets forth certain information with respect to securities to be issued under our equity compensation plans as of December 31, 2013.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders (1)	486,459	\$ 16.79	158,172

- (1) Consists of our (i) 2005 Omnibus Stock Ownership and Long-Term Incentive Plan, which provides for the granting to officers and certain other employees of qualified or nonqualified stock options, restricted stock, stock appreciation rights, long-term incentive compensation units consisting of a combination of cash and Common Stock or any combination thereof, and (ii) the ABC Bancorp Omnibus Stock Ownership and Long-Term incentive Plan that was adopted in 1997, which now is operative only with respect to the exercise of options that remain outstanding under such plan and under which no further awards may be granted. All securities remaining for future issuance represent awards that may be granted under the 2005 Omnibus Stock Ownership and Long-Term Incentive Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information set forth under the captions Certain Relationships and Related Transactions and Proposal 1 Election of Directors in the Proxy Statement to be used in connection with the solicitation of proxies for the Company's 2014 Annual Meeting of Shareholders, to be filed with the SEC, is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information set forth under the caption Proposal 2 Ratification of Appointment of Independent Auditor in the Proxy Statement to be used in connection with the solicitation of proxies for the Company's 2014 Annual Meeting of Shareholders, to be filed with the SEC, is incorporated herein by reference.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

1. Financial statements:

(a) Ameris Bancorp and Subsidiaries:

- (i) Consolidated Balance Sheets December 31, 2013 and 2012;
- (ii) Consolidated Statements of Income Years ended December 31, 2013, 2012 and 2011;
- (iii) Consolidated Statements of Comprehensive Income/(Loss) Years ended December 31, 2013, 2012 and 2011;
- (iv) Consolidated Statements of Changes in Stockholders Equity Years ended December 31, 2013, 2012 and 2011;
- (v) Consolidated Statements of Cash Flows Years ended December 31, 2013, 2012 and 2011; and
- (vi) Notes to Consolidated Financial Statements.

(b) Ameris Bancorp (parent company only):

Parent company only financial information has been included in Note 23 of the Notes to Consolidated Financial Statements.

2. Financial statement schedules:

All schedules are omitted as the required information is inapplicable or the information is presented in the financial statements or related notes.

3. A list of the Exhibits required by Item 601 of Regulation S-K to be filed as a part of this Annual Report is shown on the Exhibit Index filed herewith.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: March 14, 2014

By: /s/ Edwin W. Hortman, Jr.
Edwin W. Hortman, Jr.,
President and Chief Executive Officer

(principal executive officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Edwin W. Hortman, Jr. as his attorney-in-fact, acting with full power of substitution for him in his name, place and stead, in any and all capacities, to sign any amendments to this Form 10-K and to file the same, with exhibits thereto, and any other documents in connection therewith, with the Securities and Exchange Commission and hereby ratifies and confirms all that said attorney-in-fact, or his substitute or substitutes, may do or cause to be done by virtue thereof.

Pursuant to the requirements of the Exchange Act, this Form 10-K has been signed by the following persons in the capacities and on the dates indicated.

Date: March 14, 2014

/s/ Edwin W. Hortman, Jr.
Edwin W. Hortman, Jr., President, Chief Executive Officer and Director
(principal executive officer)

Date: March 14, 2014

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

Date: March 14, 2014

/s/ R. Dale Ezzell
R. Dale Ezzell, Director

Date: March 14, 2014

/s/ J. Raymond Fulp
J. Raymond Fulp, Director

Date: March 14, 2014

/s/ Leo J. Hill
Leo J. Hill, Director

Date: March 14, 2014

/s/ Daniel B. Jeter
Daniel B. Jeter, Director and Chairman of the Board

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Date: March 14, 2014 /s/ Robert P. Lynch
Robert P. Lynch, Director

Date: March 14, 2014 /s/ Brooks Sheldon
Brooks Sheldon, Director

Date: March 14, 2014 /s/ William H. Stern
William H. Stern, Director

Date: March 14, 2014 /s/ Jimmy D. Veal
Jimmy D. Veal, Director

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Exhibit No.	Description
3.1	Articles of Incorporation of Ameris Bancorp, as amended (incorporated by reference to Exhibit 2.1 to Ameris Bancorp's Regulation A Offering Statement on Form 1-A filed with the SEC on August 14, 1987).
3.2	Articles of Amendment to the Articles of Incorporation (incorporated by reference to Exhibit 3.7 to Ameris Bancorp's Annual Report on Form 10-K filed with the SEC on March 26, 1999).
3.3	Articles of Amendment to the Articles of Incorporation (incorporated by reference to Exhibit 3.9 to Ameris Bancorp's Annual Report on Form 10-K filed with the SEC on March 31, 2003).
3.4	Articles of Amendment to the Articles of Incorporation (incorporated by reference to Exhibit 3.1 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on December 1, 2005).
3.5	Articles of Amendment to the Articles of Incorporation (incorporated by reference to Exhibit 3.1 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on November 21, 2008).
3.6	Articles of Amendment to the Articles of Incorporation (incorporated by reference to Exhibit 3.1 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on June 1, 2011).
3.7	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on March 14, 2005).
4.1	Indenture between Ameris Bancorp and Wilmington Trust Company dated September 20, 2006 (incorporated by reference to Exhibit 4.4 to Ameris Bancorp's Registration Statement on Form S-4 (Registration No. 333-138252) filed with the SEC on October 27, 2006).
4.2	Floating Rate Junior Subordinated Deferrable Interest Debenture dated September 20, 2006 (incorporated by reference to Exhibit 4.7 to Ameris Bancorp's Registration Statement on Form S-4 (Registration No. 333-138252) filed with the SEC on October 27, 2006).
4.3	Indenture between Ameris Bancorp (as successor to The Prosperity Banking Company) and U.S. Bank National Association dated as of March 26, 2003.
4.4	First Supplemental Indenture dated as of December 23, 2013 by and among Ameris Bancorp, The Prosperity Banking Company and U.S. Bank National Association.
4.5	Form of Floating Rate Junior Subordinated Deferrable Interest Debenture Due 2033 (included as Exhibit A to the Indenture filed herewith as Exhibit 4.3).
4.6	Indenture between Ameris Bancorp (as successor to The Prosperity Banking Company) and Deutsche Bank Trust Company Americas dated as of June 24, 2004.
4.7	First Supplemental Indenture dated as of December 23, 2013 by and among Ameris Bancorp, The Prosperity Banking Company and Deutsche Bank Trust Company Americas.
4.8	Form of Floating Rate Junior Subordinated Deferrable Interest Note Due 2034.
4.9	Indenture between Ameris Bancorp (as successor to The Prosperity Banking Company) and Wilmington Trust Company dated as of January 31, 2006.
4.10	

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- First Supplemental Indenture dated as of December 23, 2013 by and among Ameris Bancorp, The Prosperity Banking Company and Wilmington Trust Company (pertaining to Indenture dated as of January 31, 2006).
- 4.11 Form of Floating Rate Junior Subordinated Deferrable Interest Debenture Due 2036 (included as Exhibit A to the Indenture filed herewith as Exhibit 4.9).
- 4.12 Indenture between Ameris Bank (as successor to Prosperity Bank) and Wilmington Trust Company dated as of May 11, 2006.
- 4.13 First Supplemental Indenture dated as of December 23, 2013 by and among Ameris Bank, Prosperity Bank and Wilmington Trust Company (pertaining to Indenture dated as of May 11, 2006).
- 4.14 Form of Floating Rate Junior Subordinated Debenture Due 2016 (included as Exhibit A to the Indenture filed herewith as Exhibit 4.12).
- 4.15 Indenture between Ameris Bancorp (as successor to The Prosperity Banking Company) and Wilmington Trust Company dated as of June 30, 2006.
- 4.16 First Supplemental Indenture dated as of December 23, 2013 by and among Ameris Bancorp, The Prosperity Banking Company and Wilmington Trust Company (pertaining to Indenture dated as of June 30, 2006).
- 4.17 Form of Floating Rate Junior Subordinated Debenture Due 2016 (included as Exhibit A to the Indenture filed herewith as Exhibit 4.15).
- 4.18 Indenture between Ameris Bancorp (as successor to The Prosperity Banking Company) and Wilmington Trust Company dated as of September 20, 2007.
- 4.19 First Supplemental Indenture dated as of December 23, 2013 by and among Ameris Bancorp, The Prosperity Banking Company and Wilmington Trust Company (pertaining to Indenture dated as of September 20, 2007).
- 4.20 Form of Fixed/Floating Rate Junior Subordinated Deferrable Interest Debenture Due 2037 (included as Exhibit A to the Indenture filed herewith as Exhibit 4.18).
- 10.1 Omnibus Stock Ownership and Long-Term Incentive Plan (incorporated by reference to Exhibit 10.17 to Ameris Bancorp's Annual Report on Form 10-K filed with the SEC on March 25, 1998).
- 10.2 ABC Bancorp 2000 Officer/Director Stock Bonus Plan (incorporated by reference to Exhibit 10.19 to Ameris Bancorp's Annual Report on Form 10-K filed with the SEC on March 29, 2000).
- 10.3 Executive Employment Agreement with Jon S. Edwards dated as of July 1, 2003 (incorporated by reference to Exhibit 10.1 to Ameris Bancorp's Quarterly Report on Form 10-Q filed with the SEC on November 12, 2003).
- 10.4 Executive Employment Agreement with Edwin W. Hortman, Jr. dated as of December 31, 2003 (incorporated by reference to Exhibit 10.19 to Ameris Bancorp's Annual Report on Form 10-K filed with the SEC on March 15, 2004).

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- 10.5 Executive Employment Agreement with Cindi H. Lewis dated as of December 31, 2003 (incorporated by reference to Exhibit 10.20 to Ameris Bancorp's Annual Report on Form 10-K filed with the SEC on March 15, 2004).
- 10.6 2005 Omnibus Stock Ownership and Long-Term Incentive Plan (incorporated by reference to Appendix A to Ameris Bancorp's Definitive Proxy Statement filed with the SEC on April 18, 2005).
- 10.7 Executive Employment Agreement with Dennis J. Zember Jr. dated as of May 5, 2005 (incorporated by reference to Exhibit 10.1 to Ameris Bancorp's Current Report on Form 8-K/A filed with the SEC on May 11, 2005).
- 10.8 Form of Incentive Stock Option Agreement (incorporated by reference to Exhibit 4.2 to Ameris Bancorp's Registration Statement on Form S-8 filed with the SEC on January 24, 2006).
- 10.9 Form of Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 4.3 to Ameris Bancorp's Registration Statement on Form S-8 filed with the SEC on January 24, 2006).
- 10.10 Form of Restricted Stock Agreement (incorporated by reference to Exhibit 4.4 to Ameris Bancorp's Registration Statement on Form S-8 filed with the SEC on January 24, 2006).
- 10.11 Executive Employment Agreement with H. Richard Sturm dated as of May 31, 2007 (incorporated by reference to Exhibit 10.1 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on June 6, 2007).
- 10.12 Second Amendment to Executive Employment Agreement dated December 30, 2008, by and between Ameris Bancorp and Edwin W. Hortman, Jr. (incorporated by reference to Exhibit 10.1 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on December 30, 2008).
- 10.13 First Amendment to Executive Employment Agreement dated December 30, 2008, by and between Ameris Bancorp and Dennis J. Zember Jr. (incorporated by reference to Exhibit 10.2 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on December 30, 2008).
- 10.14 First Amendment to Executive Employment Agreement dated December 30, 2008, by and between Ameris Bancorp and Jon S. Edwards (incorporated by reference to Exhibit 10.4 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on December 30, 2008).
- 10.15 First Amendment to Executive Employment Agreement dated December 30, 2008, by and between Ameris Bancorp and H. Richard Sturm (incorporated by reference to Exhibit 10.6 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on December 30, 2008).
- 10.16 First Amendment to Executive Employment Agreement dated December 30, 2008, by and between Ameris Bancorp and Cindi H. Lewis (incorporated by reference to Exhibit 10.7 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on December 30, 2008).
- 10.17 Executive Employment Agreement with Andrew B. Cheney, dated as of February 18, 2009 (incorporated by reference to Exhibit 10.1 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on February 23, 2009).
- 10.18 Executive Employment Agreement with Thomas S. Limerick, dated as of June 26, 2012 (incorporated by reference to Exhibit 10.1 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on June 28, 2012).
- 10.19 Supplemental Executive Retirement Agreement with Edwin W. Hortman, Jr., dated as of November 7, 2012 (incorporated by reference to Exhibit 10.1 to Ameris Bancorp's Form 10-Q filed with the SEC on November 9, 2012).

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- 10.20 Supplemental Executive Retirement Agreement with Dennis J. Zember Jr., dated as of November 7, 2012 (incorporated by reference to Exhibit 10.2 to Ameris Bancorp's Form 10-Q filed with the SEC on November 9, 2012).
- 10.21 Supplemental Executive Retirement Agreement with Jon S. Edwards, dated as of November 7, 2012 (incorporated by reference to Exhibit 10.3 to Ameris Bancorp's Form 10-Q filed with the SEC on November 9, 2012).
- 10.22 Supplemental Executive Retirement Agreement with Cindi H. Lewis, dated as of November 7, 2012 (incorporated by reference to Exhibit 10.4 to Ameris Bancorp's Form 10-Q filed with the SEC on November 9, 2012).
- 10.23 Loan Agreement dated as of August 28, 2013 by and between Ameris Bancorp and NexBank SSB (incorporated by reference to Exhibit 10.1 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on August 29, 2013).
- 10.24 Revolving Promissory Note dated as of August 28, 2013 issued by Ameris Bancorp to NexBank SSB (incorporated by reference to Exhibit 10.2 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on August 29, 2013).

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10.25	Pledge and Security Agreement dated as of August 28, 2013 by and between Ameris Bancorp and NexBank SSB (incorporated by reference to Exhibit 10.3 to Ameris Bancorp's Current Report on Form 8-K filed with the SEC on August 29, 2013).
21.1	Schedule of Subsidiaries of Ameris Bancorp.
23.1	Consent of Porter Keadle Moore, LLC.
24.1	Power of Attorney relating to this Form 10-K is set forth on the signature pages of this Form 10-K.
31.1	Rule 13a-14(a)/15d-14(a) Certification by Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification by Chief Financial Officer.
32.1	Section 1350 Certification by Chief Executive Officer.
32.2	Section 1350 Certification by Chief Financial Officer.
101	The following financial statements from Ameris Bancorp's Form 10-K for the year ended December 31, 2013, formatted as interactive data files in XBRL (eXtensible Business Reporting Language):
	(i) Consolidated Balance Sheets;
	(ii) Consolidated Statements of Income;
	(iii) Consolidated Statements of Comprehensive Income/(Loss);
	(iv) Consolidated Statements of Changes in Stockholders' Equity;
	(v) Consolidated Statements of Cash Flows; and
	(vi) Notes to Consolidated Financial Statements.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders

Ameris Bancorp

We have audited the accompanying consolidated balance sheets of Ameris Bancorp and subsidiaries, (the Company) as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2013. We also have audited the Company's internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ameris Bancorp and subsidiaries as of December 31, 2013 and 2012, and the results of their

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operations and their cash flows for each of the years in the three-year period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, Ameris Bancorp and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Atlanta, Georgia

March 14, 2014

235 Peachtree Street NE | Suite 1800 | Atlanta, Georgia 30303 | Phone 404.588.4200 | Fax 404.588.4222

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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Ameris Bancorp (the Company) is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2013. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Based on this assessment and those criteria, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2013.

Porter Keadle Moore, LLC, the Company's independent auditors, has issued an attestation report on the effectiveness of the Company's internal control over financial reporting. That report is included in this Annual Report on page F-2.

/s/ Edwin W. Hortman, Jr.
Edwin W. Hortman, Jr.
President and
Chief Executive Officer

/s/ Dennis J. Zember, Jr.
Dennis J. Zember, Jr.
Executive Vice President and
Chief Financial Officer

Table of Contents**AMERIS BANCORP AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****DECEMBER 31, 2013 AND 2012****(Dollars in Thousands)**

Assets	2013	2012
Cash and due from banks	\$ 62,955	\$ 80,256
Interest-bearing deposits in banks	190,064	193,677
Federal funds sold	14,920	-
Securities available for sale, at fair value	486,235	346,909
Other investments	16,828	6,832
Mortgage loans held for sale	67,278	48,786
Loans, net of unearned income	1,618,454	1,450,635
Purchased loans not covered by FDIC loss share agreements (purchased non-covered loans)	448,753	-
Purchased loans covered by FDIC loss share agreements (covered loans)	390,237	507,712
Less allowance for loan losses	22,377	23,593
Loans, net	2,435,067	1,934,754
Other real estate owned	33,351	39,850
Purchased, non-covered other real estate owned	4,276	-
Covered other real estate owned	45,893	88,273
Total other real estate owned	83,520	128,123
FDIC loss-share receivable	65,441	159,724
Premises and equipment, net	103,188	75,983
Intangible assets, net	6,009	3,040
Goodwill	35,049	956
Cash value of bank owned life insurance	49,432	15,603
Other assets	51,663	24,409
	\$ 3,667,649	\$ 3,019,052
<u>Liabilities and Stockholders Equity</u>		
Liabilities		
Deposits		
Noninterest-bearing	\$ 668,531	\$ 510,751
Interest-bearing	2,330,700	2,113,912

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Total deposits	2,999,231	2,624,663
Securities sold under agreements to repurchase	83,516	50,120
Other borrowings	194,572	-
Subordinated deferrable interest debentures	55,466	42,269
Other liabilities	18,165	22,983
Total liabilities	3,350,950	2,740,035
Commitments and contingencies		
Stockholders' equity		
Preferred stock, stated value \$1,000; 5,000,000 shares authorized; 28,000 shares issued and outstanding	28,000	27,662
Common stock, par value \$1; 100,000,000 shares authorized; 26,461,769 and 25,154,818 shares issued	26,462	25,155
Capital surplus	189,722	164,949
Retained earnings	83,991	65,710
Accumulated other comprehensive income (loss), net of tax	(294)	6,607
	327,881	290,083
Less cost of 1,363,342 and 1,355,050 treasury shares acquired	(11,182)	(11,066)
Total stockholders' equity	316,699	279,017
	\$ 3,667,649	\$ 3,019,052

See Notes to Consolidated Financial Statements.

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AMERIS BANCORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(Dollars in Thousands)

	2013	2012	2011
Interest income			
Interest and fees on loans	\$ 117,497	\$ 119,310	\$ 128,841
Interest on taxable securities	7,134	8,250	10,254
Interest on nontaxable securities	1,413	1,475	1,321
Interest on deposits in other banks	276	434	617
Interest on federal funds sold	2	10	38
	126,322	129,479	141,071
Interest expense			
Interest on deposits	8,400	13,327	25,506
Interest on other borrowings	1,737	1,747	2,041
	10,137	15,074	27,547
Net interest income	116,185	114,405	113,524
Provision for loan losses	11,486	31,089	32,729
Net interest income after provision for loan losses	104,699	83,316	80,795
Other income			
Service charges on deposit accounts	19,545	19,576	18,081
Mortgage banking activity	19,128	12,989	2,971
Other service charges, commissions and fees	2,151	1,431	1,247
Gain on sales of securities	171	322	238
Gain on acquisitions	-	20,037	26,867
Other	5,554	3,519	3,403
	46,549	57,874	52,807
Other expenses			
Salaries and employee benefits	56,670	53,122	40,210
Occupancy and equipment	12,286	13,208	11,390
Advertising and marketing	1,620	1,622	722
Amortization of intangible assets	1,414	1,359	1,011

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Data processing and communications	11,539	10,683	10,315
Other	38,416	39,476	38,305
	121,945	119,470	101,953
Income before income taxes	29,303	21,720	31,649
Applicable income tax expense	(9,285)	(7,285)	(10,556)
Net income	20,018	14,435	21,093
Preferred stock dividends	1,738	3,577	3,241
Net income available to common stockholders	\$ 18,280	\$ 10,858	\$ 17,852
Basic income per share	\$ 0.76	\$ 0.46	\$ 0.76
Diluted income per share	\$ 0.75	\$ 0.46	\$ 0.76

See Notes to Consolidated Financial Statements.

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AMERIS BANCORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(Dollars in Thousands)

	2013	2012	2011
Net income	\$ 20,018	\$ 14,435	\$ 21,093
Other comprehensive income/(loss):			
Net unrealized holding gains/(losses) arising during period on investment securities available for sale, net of tax (benefit) of (\$4,421), \$215 and \$2,574	(8,210)	399	4,781
Reclassification adjustment for gains on investment securities included in operations, net of tax of \$60, \$113 and \$84	(111)	(209)	(154)
Net unrealized losses on cash flow hedge (interest rate floor) during the period, net of tax of \$0, \$0 and \$301	-	-	(559)
Net unrealized gains (losses) on cash flow hedge (interest rate swap) during the period, net of tax (benefit) of \$765, (\$474) and (\$1,602)	1,420	(879)	(2,976)
Total other comprehensive income (loss)	(6,901)	(689)	1,092
Comprehensive income	\$ 13,117	\$ 13,746	\$ 22,185

See Notes to Consolidated Financial Statements.

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AMERIS BANCORP

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY

(Dollars in Thousands, except share data)

	Year Ended December 31,					
	2013		2012		2011	
	Shares	Amount	Shares	Amount	Shares	Amount
PREFERRED STOCK						
Balance at beginning of period	28,000	\$ 27,662	52,000	\$ 50,727	52,000	\$ 50,121
Repurchase of preferred stock	-	-	(24,000)	(24,000)	-	-
Accretion of fair value of warrant	-	338	-	935	-	606
<i>Balance at end of period</i>	28,000	\$ 28,000	28,000	\$ 27,662	52,000	\$ 50,727
COMMON STOCK						
Balance at beginning of period	25,154,818	\$ 25,155	25,087,468	\$ 25,087	24,982,911	\$ 24,983
Issuance of common stock	1,168,918	1,169	-	-	-	-
Issuance of restricted shares	108,400	108	67,450	67	135,075	135
Cancellation of restricted shares	(4,000)	(4)	(500)	-	(34,150)	(34)
Proceeds from exercise of stock options	33,633	34	400	1	3,632	3
<i>Balance at end of period</i>	26,461,769	\$ 26,462	25,154,818	\$ 25,155	25,087,468	\$ 25,087
CAPITAL SURPLUS						
Balance at beginning of period		\$ 164,949		\$ 166,639		\$ 165,930
Issuance of common stock		23,460		-		-
Repurchase of warrant		-		(2,670)		-
Stock-based compensation		1,041		1,044		785
Proceeds from exercise of stock options		376		2		25
Issuance of restricted shares		(108)		(67)		(135)
Cancellation of restricted shares		4		1		34
<i>Balance at end of period</i>		\$ 189,722		\$ 164,949		\$ 166,639
RETAINED EARNINGS						
Balance at beginning of period		\$ 65,710		\$ 54,852		\$ 37,000
Net income		20,018		14,435		21,093
Dividends on preferred shares		(1,399)		(2,642)		(2,635)
Accretion of fair value warrant		(338)		(935)		(606)
<i>Balance at end of period</i>		\$ 83,991		\$ 65,710		\$ 54,852
ACCUMULATED OTHER COMPREHENSIVE INCOME						

(LOSS), NET OF TAX

Unrealized gains on securities:			
Balance at beginning of period	\$ 6,630	\$ 6,440	\$ 1,813
Change during period	(8,321)	190	4,627
Balance at end of period	\$ (1,691)	\$ 6,630	\$ 6,440
Unrealized gains on interest rate floors:			
Balance at beginning of period	\$ -	\$ -	\$ 559
Change during period	-	-	(559)
Balance at end of period	\$ -	\$ -	\$ -
Unrealized gain on interest rate swap:			
Balance at beginning of period	\$ (23)	\$ 856	\$ 3,832
Change during period	1,420	(879)	(2,976)
Balance at end of period	\$ 1,397	\$ (23)	\$ 856
Balance at end of period	\$ (294)	\$ 6,607	\$ 7,296

TREASURY STOCK

Balance at beginning of period	1,355,050	\$ (11,066)	1,336,174	\$ (10,831)	1,336,174	\$ (10,831)
Purchase of treasury shares	8,292	(116)	18,876	(235)	-	-
Balance at end of period	1,363,342	\$ (11,182)	1,355,050	\$ (11,066)	1,336,174	\$ (10,831)

TOTAL STOCKHOLDERS EQUITY

\$ 316,699	\$ 279,017	\$ 293,770
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