

First Reliance Bank reports net income for 2008



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[SCBIZ Daily Staff](#)

FLORENCE -- As its larger brethren report massive losses, Florence-based First Reliance Bancshares, the parent company of First Reliance Bank, reported Thursday it had a net income of \$625,632 for 2008.

However, the yearly earnings are down from last year's \$2.6 million, the company said. Earnings per share for 2008 were 18 cents, compared with 72 cents earned for 2007.

"2008 was one of the most economically challenging years our country and the banking industry have ever experienced, and it has offered significant challenges to First Reliance as well," said Rick Saunders, First Reliance's CEO.

"A good portion of our nonperforming loans are related to the hard-hit construction industry and declining property values in this area. As a result, we set aside additional reserves in the fourth quarter of 2008 and closed our Myrtle Beach loan center to proactively prepare us in the event of further unforeseen economic deterioration."

Assets increased \$11.7 million to \$603.4 million, compared with \$591.7 million reported in 2007. Total loans and leases totaled \$469 million as of Dec. 31, reflecting an increase of \$852,512 compared with the Dec. 31, 2007, balance.

Deposits increased by \$11.6 million, from \$449.5 million reported at the end of the previous year.

For the fourth quarter of 2008, First Reliance reported a net loss totaling \$1.6 million, compared





with \$359,731 earned during the fourth quarter of 2007. Earnings were primarily impacted by provisions of \$3.2 million for the allowance for loan losses.

On Jan. 9, First Reliance Bancshares received preliminary approval by the U.S. Department of Treasury to participate in the Capital Purchase Program as part of the Troubled Asset Relief Program.

Subject to final regulatory approval and upon completion of the transaction, First Reliance will receive \$14.9 million from the Treasury Department in exchange for the issuance of \$14.9 million in shares of senior preferred stock and warrants to purchase additional shares of senior preferred stock. First Reliance expects the closing to occur before the end of the first quarter.

“Looking forward in 2009 we will continue to introduce products and services aimed at helping our customers be successful. In every economic business cycle, high or low there are opportunities created. ... We will open a new office in Columbia this spring and we are already experiencing an 80% growth in consumer mortgage application this year,” Saunders said.

“While the issues facing our economy are difficult, we continue to see opportunity and will work together to serve our customers and fulfill our purpose — to make a positive difference in every life we touch.”

[SCBIZ Coverage of First Reliance Earnings Release](#)

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ABOUT FIRST RELIANCE BANK

*First Reliance Bank, founded in 1999, has assets of approximately \$605 million, and employs over 140 highly talented associates. The bank serves Columbia, Charleston, Greenville and Florence markets in South Carolina. The bank has been recognized for its success including being the only company ever to be named to The Top 25 Fastest Growing Companies™ in South Carolina four times including 2002, 2004, 2005, and 2006 (SC Chamber/Elliott Davis). In June 2007, the bank was added to the Palmetto 25, a list of S.C.'s largest publicly held companies. In 2006, 2007, and 2008 the bank was also recognized as One of the Best Places to Work in South Carolina by the SC Chamber of Commerce. **First Reliance Bank offers a unique Hometown Heroes package of benefits to serve those who are serving our communities, a Customer Service Guaranty, Totally FREE Checking, Totally FREE Business Checking, FREE Coin Machines, a Worldwide NO FEE ATM Network, and a 5 Way Mortgage Service Promise. It also offers 8-8 Extended Hours in all of their Florence, Mt. Pleasant, and Lexington locations and is open on most traditional bank holidays. Its Easy to Do Business With™ brand has earned the young bank a customer satisfaction rating of 98% (Lamothe & Associates, Inc., Research Firm). First Reliance Bank is traded as FSRL.OB.***