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NEW BANK SET TO ENTER LOCAL CHARLESTON MARKET

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By Matthew Mogul; Business Review Section; Post & Courier

NOVEMBER 8TH, 2004 *Charleston, SC* – A Florence-based bank plans to open a branch in downtown Charleston as part of an expansion across the state.

First Reliance Bank, a small, fast-growing community bank, will look to lease office space somewhere downtown for about a year while it builds a new branch on land it's planning to buy in Mount Pleasant.

The downtown branch, which pending regulatory approval, should be opened in the first quarter of 2005, would be the bank's first in the Lowcountry and fourth overall. Two are located in Florence, and one is in Lexington.

The 5-year-old bank has grown to more than \$270 million in assets since opening and sees Charleston as a competitive and potentially lucrative market.

"It's one of the largest financial markets in the state, and though it's heavily banked, we think we can add an element of service to the market," said Rick Saunders, First Reliance's president and CEO.

Saunders says that while 17 banks already vie for business in the Charleston area, the growth here and up and down the coast means First Reliance feels it can grab market share without necessarily going head-to-head with other banks for existing customers.

The Charleston branch is part of First Reliance's planned push into about half a dozen new markets with the aim of opening a new branch every two years in select locations. Some of the areas being considered are Beaufort, Greenville-Spartanburg, Hilton Head, Horry County and Rock Hill.

For every market it enters, the game plan is to open a new branch every year until the bank reaches its goal of attaining 10 percent of local deposits, Saunders said.



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First Reliance's main focus after opening in 1999 was on making small loans, but it has since shifted to more commercial lending. The bulk of the bank's business is centered on loans to companies bringing in \$10 million or less in revenue each year.

Karl Zerbst, formerly a commercial executive for SouthTrust who left after the bank announced its merger plans with Wachovia, will be First Reliance's market president in Charleston. He's expected to hire about 10 people to run the branch.

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