

RESOURCE BANKSHARES, INC.

Directors

Richard F. Knight, Chairman *G. Chris Keller, Jr., Vice Chairman*
David A. Briggs, Jr. *Michael B. Burris*
Dennis E. Crowe *Katherine M. Gibert*
Chandler Craig, Jr. *David D. Lindsey*
Maura W. Donahue *James E. Walther, III, Emeritus*

RESOURCE BANK

Executive Officers

G. Chris Keller, Jr., Chief Executive Officer
Chandler Craig, Jr., President
Pat Campbell, Executive Vice President, Chief Lending Officer
Doug M. Ferrer, Executive Vice President, Chief Credit Officer
Julie C. Cervantes, CPA, Executive Vice President, Chief Financial Officer
Lynn Kennedy, Executive Vice President, Chief Operations Officer

Branch Locations

Bogalusa Office: 402 Avenue B
CBD Office: 412 Magazine Street
Covington Offices: 70533 Highway 21
 5100 Village Walk, Suite 102
Franklinton Office: 950 10th Avenue
Metairie Office: 321 Veterans Memorial Blvd., Suite 101
Mandeville Offices: 68177 Highway 59
 1695 W. Causeway Approach
Slidell Office: 2283 Gause Blvd. East



Visit us online at www.BankOnResource.com
email: info@BankOnResource.com or call (985) 801-1888

PRESORTED
STANDARD
U.S. POSTAGE
PAID
NEW ORLEANS, LA
PERMIT NO. 1273

RETURN SERVICE REQUESTED



5100 Village Walk, Ste 102
Covington, LA 70433



2015 Financial Report

4th Quarter



December 31, 2015

Dear Shareholder:

We are pleased to share with you that we closed out 2015 with our highest monthly Return on Assets for December of 1.31% resulting in a year to date ROA ratio of 1.13% and a remarkable Efficiency Ratio of 62.74%. During the year we paid off the remainder of our Trust Preferred Debt in the amount of \$4,124,000 and also paid down \$14,000,000 of our FHLB Advances on our line of credit.

As of December 31, 2015, our Total Loans were up 4.6% to \$473,709,000, which consisted of only 0.15% classified as Non-Performing, and Past Due Loans averaged only 0.30% for the year. The effect of paying off the Trust Preferred Debt and paying down our line of credit was lesser growth in Total Assets and Total Deposits, which increased 0.89% and 1.55%, respectively. However, the annual After Tax Earnings were \$6,370,000, resulting in a 29.41% increase in Stockholders' Equity. Your Book Value per share, fully diluted, increased 12.68% to \$42.16.

In our quest to expand into new markets, we have signed an agreement to purchase a lot in Baton Rouge. Additionally, we are diligently searching for the right location for our next branch on the South shore. We welcome your input regarding preferable locations for future expansion.

Thank you for your support in 2015. We are looking forward to new growth and further opportunities to come in 2016.

Thank you,

Richard F. Knight
Chairman of the Board

G. Chris Keller
CEO

RESOURCE BANKSHARES, INC.

STATEMENT OF FINANCIAL CONDITION (in thousands)

ASSETS

Cash & due from banks	\$7,358	\$6,176
Interest bearing deposits in other banks	175	98
Fed funds sold	23,763	29,549
Investment & equity in Resource Trust I & II	0	124
Investment securities: Available-for-sale, at fair value	35,699	46,820
Other stocks, at cost	2,381	2,319
Loans, less allowance for loan losses	473,709	452,870
(12/31/15 Allowance for loan losses \$ 3,427,044)		
(12/31/14 Allowance for loan losses \$ 3,324,101)		
Bank premises & equipment, net of accumulated depreciation	16,234	16,537
Deferred tax receivable	0	20
Accrued interest receivable	1,478	1,470
Other assets	751	464
Other real estate owned	1,296	1,449

TOTAL ASSETS

	Holding Company Consolidated 12/31/2015 (unaudited)	Holding Company Consolidated 12/31/2014 (unaudited)
\$562,844	\$562,844	\$557,896

LIABILITIES

Deposits

Demand deposit accounts	\$107,184	\$112,634
NOW accounts	208,867	193,960
Money market accounts	78,515	76,147
Saving accounts	19,646	18,275
Certificates of deposits \$100,000 & over	35,125	41,515
Other certificates of deposit	24,709	24,293

Total Deposits

Accrued expenses and other liabilities	825	560
Deferred tax payable	390	132
Accrued interest payable	93	102
Interest payable on debentures	0	3
Trust preferred securities payable I	0	0
Trust preferred securities payable II	0	4,124
Other borrowed funds	20,000	34,000

Total Liabilities

474,046	466,824
495,354	505,745

STOCKHOLDERS' EQUITY

Common stock; \$1.00 par value; 2,000,000 shares authorized; 1,564,380 and 1,364,892 shares issued and outstanding at December 31, 2015 and December 31, 2014, respectively. As of December 31, 2015, 1,564,380 issued; with 0 shares held in Treasury stock	1,564	1,365
Preferred stock; \$0.00 par value; 100,000 shares authorized; no shares issued or outstanding	0	0
Stock subscription receivable	(807)	(826)
Capital surplus	26,189	16,669
Treasury stock	0	0
Retained earnings	33,903	28,975
Earnings year to date (*Bank only \$6,486,665 year to date)	6,370	5,660
Net unrealized gains (losses) on securities held	271	308

Total Stockholders' Equity

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

Book Value per Share-Undiluted

Book Value per Share-Diluted

Quarterly Return on Average Assets (ROA) (*Bank only as December 31)

Quarterly Efficiency Ratio (*Bank Only as of December 31)

End of Year Return on Average Assets (ROA)(*Bank only as December 31)

End of Year Efficiency Ratio (*Bank only as December 31)

67,490	52,151
\$562,844	\$557,896
\$43.14	\$38.21
\$42.16	\$37.41
1.18%	0.97%
60.17%	64.56%
1.13%	1.03%
62.74%	64.78%

Required notes, statement of cash flows and statement of changes in retained earnings are not included.