

RESOURCE BANKSHARES, INC.

Directors

G. Chris Keller, Jr., Chairman *Chandler Craig, Jr., Vice Chairman*
David A. Briggs, Jr. *Michael B. Burris, Lead Director*
Dennis E. Crowe *Katherine M. Gibert*
Maura W. Donahue *David D. Lindsey*
 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
Douglas 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
Baton Rouge Office: 4317-B Bluebonnet Blvd.



Visit us online at www.resource.bank
email: info@resource.bank 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



2016 Financial Report

4th Quarter



December 31, 2016

Dear Shareholder:

Your bank had a tremendous year in 2016. We maintained a high level of earnings while expanding into a new market and adding bankers in our existing markets. Resource grew in all of our markets with the highest level of growth coming from the Southshore.

Our year end return on assets was 1.08 percent. We grew assets to \$618 million; an increase of just under 10 percent. Loans grew 11.72 percent to \$529 million, while non-performing loans shrank to a minimal level. Deposits grew to \$513 million, an increase of 8.27 percent. Total stockholders' equity increased 9.90 percent, of which we distributed 25.04 percent of 2016 net income in the form of dividends to you, the shareholder. We closed out the year with a very healthy capital position of 11.43 percent of total assets.

Our new facility in Baton Rouge is progressing with the foundation well under way. We expect to move in by the end of 2017. The temporary facility in Baton Rouge continues to provide us with new opportunities.

We plan to build on our momentum from 2016 throughout 2017. As always we thank you for your support.

Yours truly,

G. Chris Keller, Jr.
CEO & Chairman of the Board

Chandler Craig, Jr.
President & Vice Chairman of the Board

RESOURCE BANKSHARES, INC.

STATEMENT OF FINANCIAL CONDITION (in thousands)

ASSETS

Cash & due from banks	\$7,661	\$7,358
Interest bearing deposits in other banks	57	175
Fed funds sold	21,325	23,763
Investment securities: Available-for-sale, at fair value	36,974	35,699
Other stocks, at cost	2,523	2,381
Loans, less allowance for loan losses	529,238	473,709
(12/31/16 Allowance for loan losses \$ 3,659,297)		
(12/31/15 Allowance for loan losses \$ 3,427,044)		
Bank premises & equipment, net of accumulated depreciation	17,002	16,234
Deferred tax receivable	86	0
Accrued interest receivable	1,512	1,478
Other real estate owned	1,461	1,296
Other assets	760	751

TOTAL ASSETS

	Holding Company Consolidated 12/31/2016 (unaudited)	Holding Company Consolidated 12/31/2015 (unaudited)
\$618,599	\$618,599	\$562,844

LIABILITIES

Deposits

Demand deposit accounts	\$116,613	\$107,184
NOW accounts	224,970	208,867
Money market accounts	91,749	78,515
Saving accounts	22,649	19,646
Certificates of deposits \$100,000 & over	34,161	35,125
Other certificates of deposit	23,098	24,709

Total Deposits

Accrued expenses and other liabilities	2,432	825
Deferred tax payable	254	390
Accrued interest payable	93	93
Other borrowed funds	30,000	20,000

Total Liabilities

STOCKHOLDERS' EQUITY

Common stock; \$1.00 par value;
2,000,000 shares authorized;
1,595,013 and 1,564,380 shares issued
and outstanding at December 31, 2016 and December 31, 2015, respectively.

Preferred stock; \$0.00 par value;

100,000 shares authorized; no shares issued or outstanding

Stock subscription receivable	(858)	(807)
Capital surplus	26,979	26,189
Treasury stock	0	0
Retained earnings	38,683	33,903
Earnings year to date (*Bank only \$6,390,770 year to date)	6,349	6,370
Net unrealized gains (losses) on securities held	(168)	271

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 of 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 of December 31)

1,595	1,595	1,564
0	0	0
(858)	(858)	(807)
26,979	26,979	26,189
0	0	0
38,683	38,683	33,903
6,349	6,349	6,370
(168)	(168)	271
72,580	72,580	67,490
\$618,599	\$618,599	\$562,844
\$45.50	\$45.50	\$43.14
\$44.69	\$44.69	\$42.16
1.11%	1.11%	1.18%
61.46%	61.46%	60.17%
1.08%	1.08%	1.13%
64.68%	64.68%	62.74%