

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
David D. Lindsey, Executive Vice President, Chief Administrative Officer
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: 2190 N. Causeway Blvd., Suite 100
 68177 Highway 59
 1695 W. Causeway Approach
Slidell Office: 2283 Gause Blvd. East



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5100 Village Walk, Ste 102
Covington, LA 70433



2014 Financial Report

4th Quarter



December 31, 2014

Dear Shareholder:

Our Downtown New Orleans Branch, at the corner of Magazine and Poydras Streets, is now open. We are encouraged by the gradual increase in activity at the Branch. When you are in the area, please drop by for a tour and a visit. Pass the word along to your friends and business associates; encourage them to become customers and find out what true community banking and real personal service is all about.

As you look at the performance numbers, you will see that we closed the year with new all time highs in Total Assets, Deposits, Loans and Earnings. As of December 31, 2014, Total Assets were \$557,896,000, up 9.5%, Loans were \$452,870,000, up 14.8%, and Total Deposits were \$466,824,000, up 5.9%. Earnings, after Taxes and Trust Preferred Debt service, were \$5,660,000, resulting in a 12.9% increase in Stockholder Equity to \$52,151,000.

Our Year End Return on Assets was 1.03% with an Efficiency Ratio of 64.78%. During the year, we also reduced our Trust Preferred Debt by \$3,093,000, which will help improve earnings in 2015 and all succeeding years. All of the above resulted in Book Value per share, fully diluted, of \$37.41, an increase of 10.7% over the prior year.

Our Operations Center on Ochsner Boulevard in Covington is now complete and fully operational. This facility was designed to satisfy our present needs, as well as, provide capacity for our expected future growth. The excess space on the first floor has been leased to a good tenant, which will help reduce the operating cost of the building. Going forward, we will no longer be paying rent as we did on our former facility.

We are confident about the future of your Company. With your help and support, it can only improve.

Thanks again,

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	\$6,176	\$15,571
Interest bearing deposits in other banks	98	108
Fed funds sold	29,549	32,819
Investment & equity in Resource Trust I & II	124	217
Investment securities: Available-for-sale, at fair value	46,820	49,800
Other stocks, at cost	2,319	1,505
Loans, less allowance for loan losses	452,870	394,560
(12/31/14 Allowance for loan losses \$3,324,101)		
(12/31/13 Allowance for loan losses \$3,036,525)		
Bank premises & equipment, net of accumulated depreciation	16,537	11,530
Deferred tax receivable	20	267
Accrued interest receivable	1,470	1,411
Other assets	464	418
Other real estate owned	1,449	1,092

TOTAL ASSETS

Holding Company Consolidated	Holding Company Consolidated
12/31/14	12/31/13
(unaudited)	(unaudited)
\$557,896	\$509,298

LIABILITIES

Deposits

Demand deposit accounts	\$112,634	\$90,195
NOW accounts	193,960	171,311
Money market accounts	76,147	92,510
Saving accounts	18,275	16,643
Certificates of deposits \$100,000 & over	41,515	42,769
Other certificates of deposit	24,293	27,478

Total Deposits

Accrued expenses and other liabilities	560	840
Deferred tax payable	132	0
Accrued interest payable	102	112
Interest payable on debentures	3	24
Trust preferred securities payable I	0	3,093
Trust preferred securities payable II	4,124	4,124
Other borrowed funds	34,000	14,000

Total Liabilities

STOCKHOLDERS' EQUITY

Common stock; \$1.00 par value;		
2,000,000 shares authorized;		
1,364,892 and 1,343,126 shares issued	1,365	1,347
and outstanding at December 31, 2014 and December 31, 2013, respectively.		
As of December 31, 2014, 1,364,892 issued;		
with 0 shares held in Treasury stock		
Preferred stock; \$1.00 par value;		
100,000 shares authorized; no shares issued or outstanding	0	0
Stock subscription receivable	(826)	(826)
Capital surplus	16,669	16,186
Treasury stock	0	(136)
Retained earnings	28,975	24,458
Earnings year to date (*Bank only \$5,466,181 year to date)	5,660	5,190
Net unrealized gains (losses) on securities held	308	(20)

Total Stockholders' Equity

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$52,151	\$46,199
\$557,896	\$509,298
\$38.21	\$34.40
\$37.41	\$33.79

Quarterly Return on Average Assets (ROA) (*Bank Only as of December 31)	0.97%	0.94%
Quarterly Efficiency Ratio (*Bank Only as of December 31)	64.56%	63.40%
End of Year Return on Average Assets (ROA) (*Bank Only as of December 31)	1.03%	1.07%
End of Year Efficiency Ratio (*Bank Only as of December 31)	64.78%	63.40%

